

By Mr. HUDSPETH: A bill (H. R. 11818) granting the consent of Congress to the construction of a bridge across the Rio Grande; to the Committee on Interstate and Foreign Commerce.

By Mr. RICHARDS: A bill (H. R. 11819) to reimburse the Truckee-Carson irrigation district, State of Nevada, for certain expenditures for the operation and maintenance of drains for lands within the Paiute Indian Reservation, Nev.; to the Committee on Indian Affairs.

By Mr. MANLOVE: A bill (H. R. 11820) to extend certain provisions of the act of May 1, 1920; to the Committee on Invalid Pensions.

By Mr. LEATHERWOOD: A bill (H. R. 11821) to amend the second section of the act entitled "An act to pension the survivors of certain Indian wars from January 1, 1859, to January, 1891, inclusive, and for other purposes," approved March 4, 1917, as amended; to the Committee on Pensions.

Also, a bill (H. R. 11822) to increase the pensions of those who have lost limbs or have been totally disabled in the same or have become blind in the military or naval service of the United States during the Spanish War or Regular Establishment; to the Committee on Pensions.

By Mr. VESTAL: A bill (H. R. 11823) to amend paragraph 2 of section 301 of the war risk insurance act as amended March 4, 1923; to the Committee on World War Veterans' Legislation.

By Mr. WARD of North Carolina: A bill (H. R. 11824) to amend section 98 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, as amended by the act approved October 7, 1914; to the Committee on the Judiciary.

By Mr. MURPHY: A bill (H. R. 11825) to extend the time for the construction of a bridge over the Ohio River near Steubenville, Ohio; to the Committee on Interstate and Foreign Commerce.

By Mr. McLAUGHLIN of Michigan: A bill (H. R. 11826) to provide for an additional district judge for the western district of Michigan; to the Committee on the Judiciary.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H. R. 11827) granting a pension to Florence Clemens; to the Committee on Invalid Pensions.

By Mr. AYRES: A bill (H. R. 11828) granting a pension to Hattie E. Dyer; to the Committee on Invalid Pensions.

By Mr. BACHARACH: A bill (H. R. 11829) granting an increase of pension to Mary A. Thompson; to the Committee on Invalid Pensions.

By Mr. EDMONDS: A bill (H. R. 11830) for the relief of the Royal Holland Lloyd, a Netherlands corporation, of Amsterdam, the Netherlands; to the Committee on Claims.

By Mr. FITZGERALD: A bill (H. R. 11831) granting a pension to Hannah O'Brien; to the Committee on Invalid Pensions.

By Mr. FLEETWOOD: A bill (H. R. 11832) granting an increase of pension to Ada M. Smith; to the Committee on Invalid Pensions.

By Mr. GREENWOOD: A bill (H. R. 11833) granting an increase of pension to Amanda J. Kirkpatrick; to the Committee on Pensions.

By Mr. HULL of Tennessee: A bill (H. R. 11834) to correct the military record of James Moore; to the Committee on Military Affairs.

By Mr. JACOBSTEIN: A bill (H. R. 11835) granting an increase of pension to Bridget Kelly; to the Committee on Pensions.

Also, a bill (H. R. 11836) granting an increase of pension to May Vickery; to the Committee on Invalid Pensions.

By Mr. KENDALL: A bill (H. R. 11837) granting an increase of pension to Margaret M. Wolfe; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11838) granting an increase of pension to Elizabeth Rossell; to the Committee on Invalid Pensions.

By Mr. KETCHAM: A bill (H. R. 11839) granting a pension to Nannie Ludy; to the Committee on Invalid Pensions.

By Mr. MANLOVE: A bill (H. R. 11840) granting an increase of pension to Jennie Ray; to the Committee on Invalid Pensions.

By Mr. MONTAGUE: A bill (H. R. 11841) granting an increase of pension to Mary E. Stewart; to the Committee on Pensions.

By Mr. MURPHY: A bill (H. R. 11842) granting an increase of pension to Hannah Palmer; to the Committee on Invalid Pensions.

By Mr. PURNELL: A bill (H. R. 11843) granting an increase of pension to Catherine J. Lydick; to the Committee on Pensions.

By Mr. SANDERS of New York: A bill (H. R. 11844) granting an increase of pension to Mary Harvey; to the Committee on Invalid Pensions.

By Mr. SWANK: A bill (H. R. 11845) granting a pension to Josephine Dodson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11846) granting an increase of pension to Anna E. Jones; to the Committee on Invalid Pensions.

By Mr. WAINWRIGHT: A bill (H. R. 11847) for the relief of Herbert T. James; to the Committee on Naval Affairs.

By Mr. WILSON of Indiana: A bill (H. R. 11848) granting an increase of pension to Elizabeth Hill; to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3501. By Mr. GALLIVAN: Petition of N. P. Alifas, president District No. 44, International Association of Machinists, Washington, D. C., urging the adoption of an amendment to the independent offices appropriation bill requiring that repairs to and reconditioning of Shipping Board vessels shall be performed at the Government navy yards and arsenals when time permits and when the work can be done there more cheaply than by private contractors; to the Committee on Appropriations.

3502. By Mr. MORROW: Petition of the New Mexico Cattle and Horse Growers' Association, concerning freight rates on livestock; to the Committee on Interstate and Foreign Commerce.

3503. Also, petition of the New Mexico Cattle and Horse Growers' Association, favoring repeal of section 15a of the transportation act of 1920; to the Committee on Interstate and Foreign Commerce.

3504. Also, petition of the New Mexico Cattle and Horse Growers' Association, concerning and indorsing Garner Resolution No. 300; to the Committee on Ways and Means.

3505. Also, petition of the New Mexico Cattle and Horse Growers' Association, concerning the administration of grazing on public domain; to the Committee on the Public Lands.

#### SENATE

THURSDAY, January 22, 1925

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Gracious Father, we thank Thee for the sunlight of the morning. We thank Thee for everything that comes from Thy hand, for Thine hand is the hand of love. We rejoice before Thee that it is our privilege to serve in Thy Name, for Thy glory, and the good of our loved country. Hear us, we beseech of Thee, as we ask for the direction of Thy Spirit constantly, and ever enable us to love the things which Thou dost love and to advance in righteousness our country. Hear and help. For Jesus' sake. Amen.

The reading clerk proceeded to read the Journal of the proceedings of the legislative day of Tuesday, January 20, 1925, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, one of its clerks, announced that the House had passed without amendment the following bills and joint resolution of the Senate:

S. 1856. An act granting the consent and approval of Congress to the La Plata River compact;

S. 3036. An act to amend the law relating to timber operations on the Menominee Reservation in Wisconsin;

S. 3792. An act to amend section 81 of the Judicial Code; and

S. J. Res. 61. Joint Resolution authorizing the Director of the United States Veterans' Bureau to grant a right of way over United States Veterans' Bureau Hospital reservation at Knoxville, Iowa.

The message also announced that the House had passed the following bills, each with an amendment, in which it requested the concurrence of the Senate:

S. 369. An act to amend an act entitled "An act for the relief of Indians occupying railroad lands in Arizona, New Mexico, or California," approved March 4, 1913;

S. 876. An act to provide for the disposition of bonuses, rentals, and royalties received under the provisions of the act of Congress entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," approved February 25, 1920, from unallotted lands in Executive order Indian reservations, and for other purposes; and

S. 3509. An act to change the time for the holding of terms of court in the eastern district of South Carolina.

The message further announced that the House had passed the following bills, each with amendments, in which it requested the concurrence of the Senate:

S. 1665. An act to provide for the payment of one-half the cost of the construction of a bridge across the San Juan River, N. Mex.; and

S. 2148. An act to empower certain officers, agents, or employees of the Department of Agriculture to administer and take oaths, affirmations, and affidavits in certain cases, and for other purposes.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 74. An act to extend the benefits of certain pension laws to the officers, sailors, and marines on board the United States ship *Maine* when that vessel was wrecked in the harbor of Habana, February 15, 1898, and to their widows and dependent relatives;

H. R. 4114. An act authorizing the construction of a bridge across the Colorado River near Lee Ferry, Ariz.;

H. R. 4522. An act to provide for the completion of the topographical survey of the United States;

H. R. 5722. An act authorizing the conservation, production, and exploitation of helium gas, a mineral resource pertaining to the national defense, and to the development of commercial aeronautics, and for other purposes;

H. R. 6869. An act to authorize allotments of lands to Indians of the Menominee Reservation in Wisconsin, and for other purposes;

H. R. 7687. An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Assiniboine Indians may have against the United States, and for other purposes;

H. R. 7888. An act to provide for expenditures of tribal funds of Indians for construction, repair, and rental of agency buildings, and related purposes;

H. R. 7911. An act to authorize the Secretary of the Treasury to sell the appraisers' stores property in Providence, R. I.;

H. R. 8267. An act for the purchase of land adjoining Fort Bliss, Tex.;

H. R. 8550. An act to authorize the appointment of a commission to select such of the Patent Office models for retention as are deemed to be of value and historical interest and to dispose of said models, and for other purposes;

H. R. 9343. An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims;

H. R. 9537. An act to authorize the Secretary of Commerce to transfer to the city of Port Huron, Mich., a portion of the Fort Gratiot Lighthouse Reservation, Mich.;

H. R. 9700. An act to authorize the Secretary of State to enlarge the site and erect buildings thereon for the use of the diplomatic and consular establishments of the United States in Tokyo, Japan;

H. R. 10025. An act to provide for the permanent withdrawal of certain described lands in the State of Nevada for the use and benefit of the Indians of the Walker River Reservation;

H. R. 11214. An act to amend an act regulating the height of buildings in the District of Columbia, approved June 1, 1910, as amended by the act of December 30, 1910;

H. R. 11358. An act to authorize the Secretary of the Interior to cancel restricted fee patents covering lands on the Winnebago Indian Reservation and to issue trust patents in lieu thereof;

H. R. 11359. An act to authorize the Secretary of the Interior to issue certificates of competency removing the restrictions against alienation on the inherited lands of the Kansas or Kaw Indians in Oklahoma;

H. R. 11360. An act to provide for the permanent withdrawal of a certain 40-acre tract of public land in New Mexico for the use and benefit of the Navajo Indians;

H. R. 11361. An act to provide for exchanges of Government and privately owned lands in the additions to the Navajo Indian Reservation, Ariz., by Executive orders of January 8, 1900, and November 14, 1901;

H. R. 11362. An act to authorize an appropriation for the purchase of certain lots in the town of Cedar City, Utah, for the use and benefit of a small band of Piute Indians located thereon;

H. R. 11501. An act for the exchange of land in El Dorado, Ark.; and

H. J. Res. 264. Joint resolution authorizing the restoration of the Lee Mansion in the Arlington National Cemetery, Va.

#### ENROLLED BILLS SIGNED

The message further announced that the Speaker of the House had affixed his signature to the following enrolled bills and joint resolution, and they were thereupon signed by the President pro tempore:

S. 625. An act to extend the time for the construction of a bridge across the White River at or near Batesville, Ark.;

S. 3292. An act granting the consent of Congress to the city of Hannibal, Mo., to construct a bridge across the Mississippi River at or near the city of Hannibal, Marion County, Mo.;

S. 3428. An act authorizing the construction of a bridge across the Ohio River to connect the city of Portsmouth, Ohio, and the village of Fullerton, Ky.;

S. 3610. An act authorizing the construction of a bridge across the Missouri River near Arrow Rock, Mo.;

S. 3611. An act authorizing the construction of a bridge across the Missouri River near St. Charles, Mo.;

S. 3621. An act granting the consent of Congress to the Louisiana Highway Commission to construct, maintain, and operate a bridge across the Ouachita River at or near Monroe, La.;

S. 3622. An act granting the consent of Congress to the Louisiana Highway Commission to construct, maintain, and operate a bridge across the Bayou Bartholomew at each of the following-named points in Morehouse Parish, La.: Vester Ferry, Ward Ferry, and Zachary Ferry;

S. 3642. An act granting the consent of Congress to the State of Washington to construct, maintain, and operate a bridge across the Columbia River at Kettle Falls, Wash.;

S. 3643. An act authorizing the construction of a bridge across the Ohio River between the municipalities of Ambridge and Woodlawn, Beaver County, Pa.;

S. 3733. An act to enlarge the powers of the Washington Hospital for Foundlings and to enable it to accept the devise and bequest contained in the will of Randolph T. Warwick;

H. R. 4168. An act to amend an act entitled "An act to punish the unlawful breaking of seals of railroad cars containing interstate or foreign shipments, the unlawful entering of such cars, the stealing of freight and express packages or baggage or articles in process of transportation in interstate shipment, and the felonious asportation of such freight or express packages or baggage or articles therefrom into another district of the United States, and the felonious possession or reception of the same," approved February 13, 1913 (37 Stat. L. p. 670); and

S. J. Res. 152. Joint resolution to accept the gift of Elizabeth Sprague Coolidge for the construction of an auditorium in connection with the Library of Congress, and to provide for the erection thereof.

#### SENATOR FROM KENTUCKY

The PRESIDENT pro tempore laid before the Senate the certificate of the Governor of the State of Kentucky certifying to the election of FREDERIC M. SACKETT as a Senator from that State for the term beginning on the 4th day of March, 1925, which was ordered to be placed on file and to be printed in the RECORD, as follows:

#### COMMONWEALTH OF KENTUCKY.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1924, FREDERIC M. SACKETT was duly chosen by the qualified electors of the State of Kentucky a Senator from said State, to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1925.

Witness his excellency our governor, William J. Fields, and our seal hereto affixed at Frankfort, Ky., this 20th day of January, in the year of our Lord 1925.

W. J. FIELDS, Governor.

By the governor:  
[SEAL]

EMMA GUY CROMWELL,  
Secretary of State.



## SPANISH SPRINGS IRRIGATION PROJECT, NEVADA

The PRESIDENT pro tempore laid before the Senate the following telegram, which was referred to the Committee on Irrigation and Reclamation and ordered to be printed in the RECORD:

[Western Union telegram]

CARSON CITY, NEV., January 21, 1925.

PRESIDENT OF THE SENATE,

Washington, D. C.:

Legislature of Nevada has adopted resolution indorsing proposed legislation for the Spanish Springs project. Secretary of State is directed to send certified copy, and this notice is for the purpose of advising the House and Senate at Washington of the action in advance.

By direction of the Governor:

HOMER MOONEY, Secretary.

## COMMISSION OF GOLD AND SILVER INQUIRY

The PRESIDENT pro tempore laid before the Senate the following communication, which was referred to the Committee on Mines and Mining and ordered to be printed in the RECORD:

AMERICAN SILVER PRODUCERS' ASSOCIATION,

Reno, Nev., January 17, 1925.

To the honorable the PRESIDENT PRO TEMPORE OF THE SENATE,

United States Senate, Washington, D. C.

SIR: At a meeting of the American Silver Producers' Association held in Salt Lake City, August 8, last, at which more than 85 per cent of domestic silver production was represented, the following resolution was unanimously adopted:

"Resolved, That the American Silver Producers' Association, now permanently organized, express its sincere thanks and appreciation to the members and staff of the Commission of Gold and Silver Inquiry of the United States Senate for the constructive and timely work which it has already done, and which is now in process of completion, in behalf of the silver producers of the United States; and further

"Resolved, That in view of the far-reaching importance of the completion of the investigations which are now being conducted by the commission, not only to the producers of silver but also because of the broad economic interests of the United States which are involved, the American Silver Producers' Association expresses the hope that the commission may be given full opportunity to complete the work which is now in progress, and that the commission's existence may be continued for such period beyond the Sixty-eighth Congress as may be necessary to enable it fully to complete such investigations."

Yours very respectfully,

AMERICAN SILVER PRODUCERS' ASSOCIATION,  
By HENRY M. RIVES, Secretary.

## PETITIONS AND MEMORIALS

Mr. WALSH of Massachusetts. Mr. President, I have two short communications, one from the National Editorial Association and the other from the Country Newspaper Association, with reference to Senate bill 3674, the postal salaries bill, which I ask may lie on the table and be printed in the RECORD.

There being no objection, the memorials were ordered to lie on the table and to be printed in the RECORD, as follows:

[Western Union telegram]

ST. PAUL, MINN., January 21, 1925.

WASHINGTON OFFICE NATIONAL EDITORIAL ASSOCIATION,

540 Investment Building, Washington, D. C.:

National Editorial Association protests amended Sterling bill, considers it places unjust burden upon country press. Furthermore, time is inopportune for increase postage rates as publishers programs very serious at present with high and increasing costs for labor and supplies. Additional burden should not be imposed in this period of agricultural depression.

H. C. HOTALING,  
Executive Secretary, National Editorial Association.

NORTHFIELD, MINN., January 21, 1925.

WASHINGTON OFFICE NATIONAL EDITORIAL ASSOCIATION,

Investment Building, Washington, D. C.:

Publishers of weekly country newspapers have not had opportunity to study amended Sterling bill affecting postal rates, but they vigorously protest against any increase at this time even of a temporary nature. Thorough impartial investigation and study of costs should precede legislation which adds higher postage burden to any group of publishers particularly the more than 12,000 publishers of country weeklies.

HERMAN ROE,  
President, Country Newspaper Association (Inc.).

Mr. FESS presented a petition of members of the faculty of the Ohio Wesleyan University, at Delaware, Ohio, praying

for adhesion of the United States to the World Court under the terms of the so-called Harding-Hughes plan, which was referred to the Committee on Foreign Relations.

Mr. FRAZIER presented resolutions of the Board of County Commissioners of Burleigh County (signed by Frank J. Johnson, county auditor) favoring the establishment of a Reserve Officers' Training Camp at Fort Lincoln, Bismarck, N. Dak., which were referred to the Committee on Military Affairs.

He also (for Mr. LADD) presented resolutions of the Dickinson Association of Business and Public Affairs, of Dickinson, N. Dak., indorsing the 50 per cent increase in the tariff on clover seed, which were referred to the Committee on Finance.

Mr. HARRELD presented the following resolution of the Senate of the State of Oklahoma, which was ordered to lie on the table:

STATE OF OKLAHOMA,  
DEPARTMENT OF STATE.

To all to whom these presents shall come, greeting:

I, R. A. Sneed, secretary of state of the State of Oklahoma, do hereby certify that the following and hereto attached is a true copy of senate resolution No. 1, adopted by the senate January 8, 1925, the original of which is now on file and a matter of record in this office.

In testimony whereof, I hereto set my hand and cause to be affixed the great seal of State. Done at the city of Oklahoma City, this 16th day of January, A. D. 1925.

[SEAL.]

R. A. SNEED,  
Secretary of State.  
UNO LEE ROBERTS,  
Assistant Secretary of State.

Enrolled senate resolution 1 (by Brown), memorializing Congress to pass Senate bill No. 33, pertaining to the retirement of disabled emergency Army officers, disabled in line of duty during the World War

Whereas there is now pending in the Senate of the United States, Senate bill No. 33, known as the Bursum bill, and the same bill is now pending in the United States House of Representatives, designated as House bill No. 6484; and

Whereas both of said bills provide for the retirement of disabled emergency Army officers on equal pay and under the same conditions provided for the retirement of disabled Regular Army officers and disabled emergency officers of the Navy and Marine Corps; and

Whereas all officers disabled in line of duty in the service of the United States during the World War are allowed to be retired on 75 per cent of the pay given their rank at time of disability, except the emergency Army officers disabled in line of duty during the World War; and

Whereas it is simple justice to the officers who served during the emergency of the World War as emergency officers of the United States Army and who were disabled to receive the same benefits accorded disabled emergency officers of the Navy and Marine Corps: Therefore be it

Resolved by the Senate of the State of Oklahoma, That we request the Congress of the United States to pass Senate bill No. 33, or its companion bill in the House, being House bill No. 6484, or some other measure designed to give relief to said disabled emergency officers as provided in said bills; and be it further

Resolved, That the secretary of the senate be instructed to furnish each member of the Oklahoma delegation in Congress and the President of the United States with a copy of this resolution.

Adopted by the senate this January 8, 1925.

W. J. HOLLOWAY,  
President of the Senate.

Correctly enrolled.

DAVE BOYER,  
Chairman Committee on Engrossing and Enrolling.

Mr. HARRELD also presented the following concurrent resolution of the Legislature of Oklahoma, which was referred to the Committee on Interstate Commerce:

STATE OF OKLAHOMA,  
DEPARTMENT OF STATE.

To all to whom these presents shall come, greeting:

I, R. A. Sneed, secretary of state of the State of Oklahoma, do hereby certify that the following and hereto attached is a true copy of senate concurrent resolution No. 3, adopted by the senate and house of representatives January 8 and 12, respectively, 1925, the original of which is now on file and a matter of record in this office.

In testimony whereof I hereto set my hand and cause to be affixed the great seal of state. Done at the city of Oklahoma City, this 16th day of January, A. D. 1925.

[SEAL.]

R. A. SNEED,  
Secretary of State.  
UNA LEE ROBERTS,  
Assistant Secretary of State.

Senate concurrent resolution 3 (by Looney (Wewoka) and Hill), a concurrent resolution petitioning the Oklahoma representatives in Congress to use their influence and good offices in securing the passage of the Gooding bill.

Whereas the people of Oklahoma have paid their part of the \$176,000,000 spent by the Government in deepening the Mississippi River and its tributaries in order that water transportation of freight might be made possible and lower freight rates thereby secured, and have also paid their part of the several hundred million dollars spent in constructing the Panama Canal, both to secure cheaper transportation for freight and also to better provide for the defense of the country in case of war; and

Whereas the transcontinental railway lines are now carrying freight between water-transportation points for a charge that is much less than the actual cost of transportation, in order to kill the competition of freight-carrying barges on our inland rivers and of ocean-going freighters by way of the Panama Canal; and

Whereas Oklahoma and other inland States are being heavily overcharged for freight-conveying service in order that the railways may recoup their losses on freight conveyed between water-shipping points, paying in addition to the taxes collected to secure deepened waterways an exorbitant freight rate collected to destroy water transportation; and

Whereas the United States Senate eight months ago passed the Gooding bill, which seeks to terminate the practice of charging discriminatory freight rates, and passed the bill with only one trans-Mississippi Senator opposing the same; and

Whereas the Gooding bill still remains with the House Committee on Commerce, notwithstanding the bill reached that committee eight months ago; and

Whereas this bill must be passed before March 4, 1925, if it is to be passed at all, its failure meaning that the long fight for just freight rates will be lost for several years to come: Therefore be it

*Resolved by the Senate of the Tenth Legislature of the State of Oklahoma (the House of Representatives concurring therein)—*

First. That the Oklahoma Representatives in Congress be, and are hereby, requested to use their influence and good offices in getting the Gooding bill reported by the Committee on Commerce and passed by the House of Representatives; and

Second. That a copy of this resolution be sent to each and all of the Oklahoma Representatives in Congress.

Adopted by the senate this the 8th day of January, 1925.

W. J. HOLLOWAY,  
President of the Senate.

Adopted by the house of representatives this the 12th day of January, 1925.

J. B. HARPER,  
Speaker of the House of Representatives.

Correctly enrolled.

DAVE BOYER,  
Chairman Committee on Engrossing and Enrolling.

#### REPORTS OF COMMITTEES

Mr. WADSWORTH. From the Committee on Appropriations I beg leave to report back with amendments the bill (H. R. 11248) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1926, and for other purposes, and I submit a report (No. 901) thereon. I take this opportunity of stating that I shall move to take up the bill as soon as possible.

The PRESIDENT pro tempore. The bill will be placed on the calendar.

Mr. HARRELD, from the Committee on Indian Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 4014. An act to amend the act of June 30, 1919, relative to per capita cost of Indian schools (Rept. No. 903);

S. 4015. An act to authorize the Secretary of the Interior to sell to the city of Los Angeles certain lands in California heretofore purchased by the Government for the relief of homeless Indians (Rept. No. 904);

H. R. 3913. An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States (Rept. No. 905); and

H. R. 8965. An act for the relief of the Omaha Indians of Nebraska (Rept. No. 906).

#### BLACK RIVER BRIDGE, ARKANSAS

Mr. SHEPPARD. From the Committee on Commerce I report back favorably without amendment the bill (S. 3885) granting the consent of Congress to Harry E. Bovay, of Stuttgart, Ark., to construct, maintain, and operate a bridge across the Black River, at or near the city of Black Rock, in

the county of Lawrence, in the State of Arkansas, and I submit a report (No. 902) thereon. I ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, and it was read as follows:

*Be it enacted, etc.,* That the consent of Congress is hereby granted to Harry E. Bovay, of Stuttgart, Ark., and his successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Black River at a point suitable to the interests of navigation at or near the city of Black Rock, in the county of Lawrence, in the State of Arkansas, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FRAZIER:

A bill (S. 4033) authorizing the Turtle Mountain Chippewas to submit claims to the Court of Claims; to the Committee on Claims.

By Mr. WATSON:

A bill (S. 4034) granting a pension to Eliza Frances Moran; to the Committee on Pensions.

By Mr. BURSUM:

A bill (S. 4035) granting a pension to Roman L. de Baca; to the Committee on Pensions.

By Mr. McKELLAR:

A bill (S. 4036) granting a pension to Florence Storr (with accompanying papers); to the Committee on Pensions.

By Mr. CARAWAY:

A bill (S. 4037) to define the jurisdiction of courts in the District of Columbia in civil action against Members of Congress; to the Committee on the Judiciary.

A bill (S. 4038) for the relief of William Sparling; to the Committee on Military Affairs.

A bill (S. 4039) granting a pension to W. E. Parker; and

A bill (S. 4040) granting an increase of pension to Martha Burley; to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 4041) for the relief of A. B. Ewing; to the Committee on Claims.

By Mr. HARRELD:

A bill (S. 4042) to authorize the Secretary of the Interior to purchase certain land in California to be added to the Cahuilla Indian Reservation, and authorizing an appropriation of funds therefor; to the Committee on Indian Affairs.

By Mr. SHEPPARD:

A bill (S. 4043) for the relief of Ida Fey; to the Committee on Claims.

By Mr. McKELLAR:

A bill (S. 4044) to equalize the promotion list of the Regular Army; to the Committee on Military Affairs.

By Mr. JONES of Washington:

A bill (S. 4045) granting the consent of Congress to W. D. Comer and Wesley Vandercook to construct a bridge across the Columbia River between Longview, Wash., and Rainier, Oreg.; to the Committee on Commerce.

#### AMENDMENT TO RIVER AND HARBOR BILL

Mr. BALL submitted an amendment intended to be proposed by him to the bill (H. R. 11472) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

#### POSTAL SALARIES AND POSTAL RATES

Mr. WALSH of Massachusetts submitted two amendments intended to be proposed by him to the bill (S. 3674) reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes, which were ordered to lie on the table and to be printed.

#### APPOINTMENT TO OFFICE OF MEMBERS OF CONGRESS

Mr. CARAWAY. Mr. President, I submit a resolution, which I ask may lie on the table, as I want to call it up tomorrow if I may do so.



The resolution (S. Res. 311) was ordered to lie on the table, as follows:

Whereas the efforts to control the sentiment and votes of Members of Congress by the appointment of Members thereof to office are hurtful to the dignity and freedom of the Congress and to the public service, and are contrary to the fundamental theory of our Government, which recognizes three distinct and independent branches of government: Therefore be it

*Resolved*, That it is the sense of the Senate that it will deny confirmation to any Member of Congress to any office to which said Member may be appointed if it is apparent that said Member has changed his position on any question pending before the body of which he is a Member in order to aid himself in securing any appointment by the President to such office.

#### TERMS OF COURT IN THE EASTERN DISTRICT OF SOUTH CAROLINA

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 3509) to change the time for the holding of terms of court in the eastern district of South Carolina, which was, on page 2, line 12, to strike out "third" and insert "second."

Mr. DIAL. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

#### HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by title and referred as indicated below:

H. R. 74. An act to extend the benefits of certain pension laws to the officers, sailors, and marines on board the United States ship *Maine* when that vessel was wrecked in the harbor of Habana, February 15, 1898, and to their widows and dependent relatives; to the Committee on Pensions.

H. R. 4522. An act to provide for the completion of the topographical survey of the United States; to the Committee on Public Lands and Surveys.

H. R. 8550. An act to authorize the appointment of a commission to select such of the Patent Office models for retention as are deemed to be of value and historical interest and to dispose of said models, and for other purposes; to the Committee on Patents.

H. R. 9700. An act to authorize the Secretary of State to enlarge the site and erect buildings thereon for the use of the diplomatic and consular establishments of the United States in Tokyo, Japan; to the Committee on Foreign Relations.

H. R. 11214. An act to amend an act regulating the height of buildings in the District of Columbia, approved June 1, 1910, as amended by the act of December 30, 1910; to the Committee on the District of Columbia.

H. R. 7911. An act to authorize the Secretary of the Treasury to sell the appraisers' stores property in Providence, R. I.; and

H. R. 11501. An act for the exchange of land in El Dorado, Ark.; to the Committee on Public Buildings and Grounds.

H. R. 4114. An act authorizing the construction of a bridge across the Colorado River near Lee Ferry, Ariz.; and

H. R. 9537. An act to authorize the Secretary of Commerce to transfer to the city of Port Huron, Mich., a portion of the Fort Gratiot Lighthouse Reservation, Mich.; to the Committee on Commerce.

H. R. 5722. An act authorizing the conservation, production, and exploitation of helium gas, a mineral resource pertaining to the national defense, and to the development of commercial aeronautics, and for other purposes; and

H. R. 8267. An act for the purchase of land adjoining Fort Bliss, Tex.; to the Committee on Military Affairs.

H. R. 6869. An act to authorize allotments of lands to Indians of the Menominee Reservation in Wisconsin, and for other purposes;

H. R. 7687. An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Assiniboine Indians may have against the United States, and for other purposes;

H. R. 7888. An act to provide for expenditures of tribal funds of Indians for construction, repair, and rental of agency buildings, and related purposes;

H. R. 9343. An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims;

H. R. 10025. An act to provide for the permanent withdrawal of certain described lands in the State of Nevada for the use and benefit of the Indians of the Walker River Reservation;

H. R. 11358. An act to authorize the Secretary of the Interior to cancel restricted fee patents covering lands on the

Winnebago Indian Reservation and to issue trust patents in lieu thereof;

H. R. 11359. An act to authorize the Secretary of the Interior to issue certificates of competency removing the restrictions against alienation of the inherited lands of the Kansas or Kaw Indians in Oklahoma;

H. R. 11360. An act to provide for the permanent withdrawal of a certain 40-acre tract of public land in New Mexico for the use and benefit of the Navajo Indians;

H. R. 11361. An act to provide for exchanges of Government and privately owned lands in the additions to the Navajo Indian Reservation, Ariz., by Executive orders of January 8, 1900, and November 14, 1901; and

H. R. 11362. An act to authorize an appropriation for the purchase of certain lots in the town of Cedar City, Utah, for the use and benefit of a small band of Piute Indians located thereon; to the Committee on Indian Affairs.

H. J. Res. 264. Joint resolution authorizing the restoration of the Lee Mansion in the Arlington National Cemetery, Va.; to the Committee on the Library.

#### MESSAGE FROM THE HOUSE

A message from the House by Mr. Farrell, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 10724) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1926, and for other purposes; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. FRENCH, Mr. HARDY, Mr. TABER, Mr. BYRNES of South Carolina, and Mr. OLIVER of Alabama were appointed managers on the part of the House at the conference.

#### NAVY DEPARTMENT APPROPRIATIONS

The PRESIDING OFFICER (Mr. JONES of Washington in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 10724) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1926, and for other purposes, asking for conference on the disagreeing votes of the two Houses thereon, and appointing conferees on the part of the House.

Mr. HALE. I move that the Senate insist upon its amendments, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and Mr. HALE, Mr. PHIPPS, and Mr. SWANSON were appointed conferees on the part of the Senate.

#### CALL OF THE ROLL

Mr. HEFLIN. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator from Alabama makes the point of no quorum. The clerk will call the roll.

The principal legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Dill	King	Ransdell
Ball	Edwards	McCormick	Reed, Mo.
Bayard	Ernst	McKellar	Sheppard
Bingham	Fernald	McKinley	Shields
Borah	Ferris	McLean	Shipstead
Brookhart	Fess	McNary	Shortridge
Broussard	Fletcher	Mayfield	Simmons
Bruce	Frazier	Means	Smith
Bursum	Gooding	Metcalf	Smoot
Butler	Greene	Moses	Spencer
Cameron	Hale	Neely	Sterling
Capper	Harrell	Norbeck	Swanson
Caraway	Harris	Norris	Underwood
Copeland	Harrison	Odde	Wadsworth
Couzens	Heflin	Overman	Walsh, Mass.
Cummins	Howell	Pepper	Walsh, Mont.
Curtis	Johnson, Calif.	Phipps	Warren
Dale	Jones, Wash.	Pittman	Watson
Dial	Kendrick	Ralston	Weller

Mr. FLETCHER. I desire to announce that my colleague, the junior Senator from Florida [Mr. TRAMMELL], is unavoidably absent. I will let this announcement stand for the day.

Mr. FESS. The senior Senator from Ohio [Mr. WILLIS] is unavoidably absent from the Chamber. I wish this announcement to stand for the day.

Mr. PEPPER. The junior Senator from Pennsylvania [Mr. REED] is unavoidably absent from the Chamber. I would like to have this announcement stand for the day.

The PRESIDENT pro tempore. Seventy-six Senators have answered to the roll call. There is a quorum present.

#### A NEW CARIBBEAN POLICY

Mr. BORAH. Mr. President, I ask permission to have printed in the RECORD an editorial from the New York World, entitled "A new Caribbean policy."

The PRESIDENT pro tempore. Without objection, it is so ordered.

The editorial is as follows:

[From the New York World, January 19, 1925]

#### A NEW CARIBBEAN POLICY

With the approaching withdrawal of the American marines from Nicaragua the United States is preparing to retrace its steps in another quarter. Last summer our armed forces after a long stay evacuated Santo Domingo. About the same time they were landed in Honduras during a season of domestic disturbance. The marines are still in occupation of Haiti.

The encircling policy of the United States in the Caribbean has been progressive for a quarter of a century. From the time of the war with Spain and the Panama "revolution" the movement has steadily gained headway. At one point it might be by intervention, as in Cuba, or by annexation, as in Porto Rico, at another by the establishment of an imposed protectorate, as in Haiti, or an acknowledged guardianship, as in Santo Domingo. At Managua the small body of marines was called a "legation guard," which, going outside that duty, kept a controlling hand on Nicaraguan politics.

Sometimes it was the exercise by the United States of an "international police power," as Roosevelt preached; sometimes it was "dollar diplomacy," pure and simple, as Secretary Philander Knox practiced it; sometimes it was unpremeditated seizure in emergency of foreign territory for the assertion or protection of American rights; sometimes the United States Government was merely acting as a collection agency for bondholders, American or foreign. The pretexts varied—sometimes there were protocols, ratified or unratified, granting American control of finances—but always the consequences were the same, the holding by American forces of foreign territory in the region washed by the Caribbean.

Because of its predominant interests the United States must have a Caribbean policy. In the case of Cuba it has certain definite rights and responsibilities. It is firmly planted in Porto Rico, the Virgin Islands, and at the Isthmus. But its Caribbean policy should not be merely a series of acts of aggression at the expense of the sovereignty of weaker nations. It should not be a haphazard policy, to be executed now here, now there, by bodies of marines or naval forces summoned at convenience.

Since the United States must have a Caribbean policy—a deliberate, considered, orderly policy—it should be left to the State Department. We have gone much further than is defensible in assuming at will powers of intervention and protectorate where the presence of American financial agents had been accepted. We have imposed on the peoples of other countries whose independence we profess to honor, governments not of their choice but of the making of officers of the marines, backed by machine guns.

American intentions may have been avowedly benevolent, but American methods have also been often brutal and despotic. We have denied harboring imperialistic designs, but in Latin-American eyes we stand convicted through the long years of a program of imperialism that regards with contempt weaker nations as sovereign powers. And in large measure we have created among Latin-Americans a fellowship of sentiment against us, suspicious and resentful. All because on occasion we have hesitated to treat them, not as equals but as races and nations backward and unfit for self-government.

With the evacuation of Santo Domingo and Nicaragua the time has come to manifest a change of spirit, to adhere to a policy—call it Caribbean or what you will—that shall be tactful, conciliatory, and honestly helpful. In that way we shall most certainly advance American interests. For so long as the United States makes its name distrusted and its leadership suspected it can not hope among its neighbors to cultivate true friendship or earn their respect, however it may protest that its services are unselfish.

#### POSTAL SALARIES AND POSTAL RATES

The PRESIDENT pro tempore. Routine morning business is closed. In pursuance of an order heretofore entered the Chair lays before the Senate the bill (S. 3674) reclassifying the salaries of postmasters and employees of the Postal Service, and so forth.

The Senate, as in Committee of the Whole, proceeded to consider the bill (S. 3674) reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes, which had been reported from the Committee on Post Offices and Post Roads with amendments.

Mr. MOSES. Mr. President, I ask unanimous consent that the formal reading of the bill may be dispensed with, that the bill be read for amendment, and that committee amendments be first considered.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from New Hampshire?

Mr. BURSUM. Mr. President—

The PRESIDENT pro tempore. Does the Senator from New Mexico object?

Mr. BURSUM. I do not object.

The PRESIDENT pro tempore. The Chair hears no objection to the request of the Senator from New Hampshire, and it is agreed to. The Secretary will state the first amendment of the Committee on Post Offices and Post Roads.

Mr. BURSUM. I rise to ask the Senator from New Hampshire if he will yield to me in order that I may make a motion?

Mr. MOSES. If it is a debatable motion which the Senator desires to make, I can not yield for that purpose.

Mr. BURSUM. In my judgment the motion I propose to make is not debatable.

Mr. KING. I think it is debatable, Mr. President.

Mr. BURSUM. If it shall be found that the motion I intend to make is debatable, I shall withdraw it for the time being.

Mr. KING. I can assure the Senator from New Hampshire that the motion which the Senator from New Mexico proposes to make will lead to debate.

Mr. BURSUM. I should prefer a decision by the President pro tempore on that question.

Mr. KING. The Senator from New Hampshire has not yet yielded to the Senator from New Mexico in order that he may make his motion.

Mr. MOSES. If the Senator from New Mexico wishes to make a parliamentary inquiry as to whether or not the motion he proposes to make will, in the opinion of the Chair, be debatable, I have no objection to yielding the floor to him for that purpose.

Mr. BURSUM. I wish to make a parliamentary inquiry. The PRESIDENT pro tempore. The Senator will state the inquiry.

Mr. BURSUM. I gave notice yesterday that I would to-day enter a motion to make Senate bill 33 a special order. I propose to make that motion. I rise to inquire of the Chair if such a motion would be debatable?

Mr. KING. Mr. President, I rise to a parliamentary inquiry. Is the Chair supposed to rule upon a moot case? I raise the point of order.

Mr. MOSES. Mr. President, I will solve the question by declining to yield.

The PRESIDENT pro tempore. The Chair has been formerly asked to rule on a great many moot cases, and has no hesitation in presenting his views with regard to the parliamentary inquiry now stated by the Senator from New Mexico [Mr. BURSUM]. In the opinion of the Chair, whenever the Senator from New Mexico gets the floor he may move that the Senate proceed to the consideration of other business than the pending special order. The Chair is further of opinion that that motion must be decided without debate.

Mr. MOSES. Mr. President, I do not understand that that is the motion which the Senator from New Mexico wishes to make. I understand he wishes to enter a motion to make the bill which he has in charge a special order for some future date.

Mr. BURSUM. Yes.

The PRESIDENT pro tempore. The Chair is of the opinion that that would be a motion for the consideration of business other than the special order.

Mr. MOSES. Then I will solve the whole problem by declining to yield, and I ask that the order already entered by unanimous consent shall go forward.

Mr. KING. That is entirely agreeable.

Mr. MOSES. The Senator from New Mexico can not make his motion until he has the floor.

Mr. HARRELD. Mr. President—

The PRESIDENT pro tempore. Does the Senator from New Hampshire yield to the Senator from Oklahoma?

Mr. MOSES. I should like to inquire politely for what purpose the Senator rises?

Mr. HARRELD. I wish to ask for the recommittal of a bill which is on the calendar.

The PRESIDENT pro tempore. Does the motion of the Senator from Oklahoma relate to the motion suggested by the Senator from New Mexico?

Mr. HARRELD. No; it has nothing to do with it. In June last the Committee on Indian Affairs met and ordered favorably reported the bill (H. R. 25) authorizing a per capita payment of \$50 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation. The committee now desires that the bill be recommitted for further consideration. I ask unanimous consent that that may be done.



The PRESIDENT pro tempore. In order that Senators may have Rule X in their minds, the Chair will now read it.

Mr. KING. Mr. President—

The PRESIDENT pro tempore. Just a moment.

Mr. KING. A parliamentary inquiry.

The PRESIDENT pro tempore. The Chair intends to read Rule X before he answers any further parliamentary inquiries. The Chair will recognize the Senator from Utah immediately after he shall have read the rule.

Mr. KING. I am sure it will refresh the recollection of the Senate to have the rule read.

Mr. MOSES. In the meantime I have the floor.

The PRESIDENT pro tempore. The Chair will content himself by reading the last paragraph of Rule X, which is as follows:

And all motions to change such order or to proceed to the consideration of other business shall be decided without debate.

Mr. MOSES. Mr. President, in view of the ruling which the Chair has made regarding the displacing of the special order, I can not yield for any purpose. I now ask for the regular order.

The PRESIDENT pro tempore. The Senator from Utah [Mr. KING] will now state his parliamentary inquiry.

Mr. KING. The Senator from Utah now has no parliamentary inquiry to make.

The PRESIDENT pro tempore. The Secretary will proceed with the reading of the bill.

The reading clerk proceeded to read the bill.

The first amendment of the Committee on Post Offices and Post Roads was, on page 5, after line 7, to strike out the following clause:

That section 4 of the act of March 3, 1883 (22 Stats. p. 528), entitled "An act to modify the postal money-order system, and for other purposes," as amended by the act approved June 29, 1886 (24 Stats. p. 87), entitled "An act to make the allowances for clerk hire to postmasters of the first and second class post offices cover the cost of clerical labor in money-order business, and for other purposes," as amended by section 3 of the act approved January 27, 1894 (28 Stats. p. 31), entitled "An act to improve the methods of accounting in the Post Office Department, and for other purposes," be amended so that the third paragraph of the last-mentioned section shall read as follows:

The amendment was agreed to.

The next amendment was, on page 28, after line 9, to strike out the following:

That the act approved February 28, 1919, be amended to read as follows:

"Provided, That the act of August 24, 1912 (37 Stats. p. 548), amended by the act approved March 3, 1917, be further amended to read as follows:"

The amendment was agreed to.

The next amendment was, in Title II, section 201, on page 37, line 16, after the word "be," to strike out "1½ cents" and insert "1 cent," so as to read:

SEC. 201. The rate of postage on drop letters at post offices where free delivery by carrier is not established shall be 1 cent per ounce or fraction thereof.

Mr. STERLING. Mr. President—

The PRESIDENT pro tempore. The Chair must have an understanding with regard to the floor.

Mr. MOSES. I am going to maintain my right to the floor, but I will yield to the Senator from South Dakota.

The PRESIDENT pro tempore. The Senator from New Hampshire can retain the floor if he desires to address the Senate, but the Chair is of the opinion that the Senator can not maintain his right to the floor while amendments are being considered.

Mr. STERLING. That is what I supposed, and that the amendments as they are being read are open to consideration.

Mr. MOSES. Yes, indeed, Mr. President.

Mr. STERLING. I wish to make a suggestion or two with regard to the proposed amendment which has just been stated.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee, and the Chair recognizes the Senator from New Hampshire.

Mr. MOSES. Mr. President, the whole question involved in this amendment was thoroughly expounded by me in the Senate on the day of the introduction of the bill, and I am quite sure that those who did not do me the honor to listen to me on that day have since then read that speech in the Record. I have nothing to add to the statement which I then made.

Mr. KING. We may not be satisfied with the exposition.

Mr. STERLING. Mr. President—

The PRESIDENT pro tempore. The Senator from South Dakota is recognized.

Mr. STERLING. Mr. President, we have now reached the very important part of this important postal salary increase bill. We have come to title 2 which is designed to provide the revenue for paying the increases of salaries of the postal employees.

I wish to say, Mr. President, that I am loath to disagree to any of the amendments reported by the committee, but I wish to say further, with reference not only to this but other amendments which I shall propose, that, while speaking in the highest terms of the work of the subcommittee of the Committee on Post Offices and Post Roads, there was little opportunity in the full committee for the consideration of the report of the subcommittee. I think all Senators will recognize the fact that it was very desirable that the bill be presented at a particular time, and the full Committee on Post Offices and Post Roads voted that the bill should be reported, each member of the committee, however, reserving the right to suggest or propose on the floor of the Senate any amendment that he might desire to submit.

The fundamental proposition involved here, Mr. President, is as to whether the proposed increases in postal rates will pay the increased salaries provided for in the bill or will be approximately sufficient to pay them. The report of the subcommittee differs in many respects quite radically from the opinion of the Post Office Department, that opinion being based largely on the cost ascertainment report which was submitted to the Senate and has been printed.

Now, as to the amendment on page 37, line 16, the increased postage on drop letters from 1 cent to 1½ cents for each drop letter is not very material so far as increasing the postal revenues is concerned. The proposed amendment is to reduce the rate to "1 cent per ounce or fraction thereof," which is the present law.

The rate of 1½ cents was proposed, Mr. President, in order that this one particular and apparently small feature of the bill may be in harmony with amendments that immediately follow in regard to the rates on postal cards, on post cards, or private mailing cards, and on double post cards or return post cards, as they are called. The increase on drop letters suggested by the Post Office Department is one-half of 1 cent, and I think, for the reason stated, that this increase should stand.

Mr. President, as I have stated, this is comparatively unimportant, and the additional revenue raised from increasing the rate on drop letters will be inconsequential; yet I wish to refer here to the question that will be raised because of this particular increase of one-half cent on the items immediately following the drop-letter item.

Mr. NORRIS. Mr. President, may I interrupt the Senator before he leaves the particular amendment?

The PRESIDENT pro tempore. Does the Senator from South Dakota yield to the Senator from Nebraska?

Mr. STERLING. I yield.

Mr. NORRIS. The committee amendment proposes to reduce the rate, as I understand?

Mr. STERLING. It reduces it; yes, sir.

Mr. NORRIS. That is the pending amendment?

Mr. STERLING. That is the pending amendment, but I am referring, when I say 1½ cents, to the recommendation of the Post Office Department in the original bill.

Mr. NORRIS. If we agree to the amendment, it will put the rate right where it is now, will it not?

Mr. STERLING. If we agree to the amendment, it will put the rate right where it is now, that rate being 1 cent. My proposal is to disagree to the amendment, so that the provision will stand as in the original bill.

Mr. NORRIS. That leads me to ask another question, if the Senator will permit me to do so.

Mr. STERLING. Certainly.

Mr. NORRIS. The Senator favors the original bill, which fixes the rate at 1½ cents?

Mr. STERLING. Yes.

Mr. NORRIS. Would there not be some difficulty about that if a person wanted to buy a stamp? There would be stamps made, I suppose, in value 1½ cents?

Mr. STERLING. Yes, sir.

Mr. NORRIS. Of course we have not any half-cent in our currency.

Mr. STERLING. I understand.

Mr. NORRIS. A person would either have to pay 2 cents for a 1½-cent stamp or he would have to buy a larger number.

Mr. STERLING. Yes; I understand that, and I am coming to that, and I want to give to the Senate what the Post Office Department has to say in that regard in commenting on the

next proposed amendment, which raises the rate to a cent and a half.

Mr. COPELAND. Mr. President, will the Senator answer a question? How much loss of revenue will this involve? I mean to say, the Post Office Department has suggested this increase, and has told how much the probable income would be from this source.

Mr. STERLING. Out of the two propositions to increase the rate on postal cards and post cards and double post cards it is estimated that \$12,500,000 will be raised. There will be that increase in revenue.

Mr. COPELAND. I assume the Senator will give us the reasons why the committee thought it wise to cut down on the bill as presented by the department.

Mr. STERLING. I suppose they will do that.

The Post Office Department says:

While a fractional postage rate is new to our service, it is not so in the service of other countries. There should be no difficulty in supplying customers with postal cards on a scale adjusted to a rate of this kind. The only difficulty which would arise would be in the case of a purchaser who desired to buy one card. It is believed that there are comparatively few in the whole number of users of postal cards who would be in that class, and that such purchasers would soon become accustomed to the new rate. Such a user would have to buy two cards or pay 2 cents for the one card.

That is under the terms of the bill as stated further on.

From the record of the annual distribution of postal cards by the department, it is estimated that this increase in rate would produce added revenue of about \$6,250,000.

That is, from this rate; and this does not refer to the rate imposed on private mailing cards, which would raise \$6,250,000 more, according to the estimate of the department.

Mr. COPELAND. Mr. President—

The PRESIDENT pro tempore. Does the Senator from South Dakota yield to the Senator from New York?

Mr. STERLING. I do.

Mr. COPELAND. I am not quite clear about this matter. Would that mean, then, that there is a loss of \$6,500,000 on the change proposed in section 202, and an increase of \$6,000,000 on paragraph (c), page 38?

Mr. STERLING. No; I would not be able to say that that means that that business has sustained a loss, but there is some loss in it. There is no question as to that. Whether the loss itself would amount to that or not I am hardly able to say, but it will mean that much increased revenue. I will say to the Senator that the cost of handling, transporting, and so forth, this class of mail is 1.45 cents. That is the cost now; and this increase to 1½ cents will just about cover the cost. I will say to the Senator from New Hampshire [Mr. MOSES] that I have been alluding to the other amendment with regard to fractional postage.

Mr. MOSES. I thought the Senator was referring to the amendment before the Senate.

Mr. STERLING. No; I thought it was generally understood that I was referring to these other two items. Those are the items about which the Senator questioned me, and I have been speaking about them.

Mr. NORRIS. Mr. President, I may have been misled in the same way. I should like to know specifically, however. The Senator says there is now a loss on this kind of mail.

Mr. STERLING. Yes.

Mr. NORRIS. Was he referring to section 201, then, on drop letters?

Mr. STERLING. Oh, no; I was going ahead to speak about the fractional postage covered in the next two paragraphs and affected by the next two amendments.

Mr. NORRIS. May I ask the Senator whether there is not quite a large profit to the Government now on drop letters at 1 cent, where there is no delivery made? Can he give us the figures on that point?

Mr. STERLING. No; I can not give the Senator the figures, and I have seen no figures. There may be such figures in this cost-ascertainment report. I have seen no estimate on the subject.

Mr. NORRIS. In the case of a letter with a 1-cent stamp on it, a drop letter, where it is not carried and where it is not delivered—that is what this section deals with, as I understand—

Mr. STERLING. It is.

Mr. NORRIS. It has occurred to me that there would be quite a large profit on the business at 1 cent.

Mr. STERLING. The Post Office Department says this in regard to that:

The number of drop letters on which there is postage of 1 cent is so small that there would be no appreciable revenue derived through increasing the rate from 1 cent to 1½ cents per ounce, and no estimate is submitted by the department as to the additional revenue from this source.

The suggestion in the original bill of 1½ cents with reference to drop letters is made for the purpose of keeping in harmony with the other provisions of the bill.

So, Mr. President, in view of the conditions and circumstances and the report of the Post Office Department, I am going to ask that the Senate reject the first amendment, the amendment now before the Senate.

Mr. MOSES. Mr. President, the Senator's own argument has afforded ample basis for agreeing to the amendment. The amount involved is very small. This class of matter must be handled at a profit; and unless the whole structure of section 201 is to be overthrown as amended by the subcommittee, unless it is proposed to put into our postage system the hybrid of a cent and a half, which means 2 cents to the individual, unless it is proposed to follow, as the department says, something which is established in foreign countries, even though it does not exist here, it will be necessary to sustain the amendment proposed by the committee.

Mr. SIMMONS. Mr. President, may I ask the Senator a question?

Mr. MOSES. Yes.

Mr. SIMMONS. I want to ask the Senator whether this increase in the rate on postal cards is proposed by the committee upon the theory that the present rate is too low, or is it upon the theory that the Government wants additional revenue from the Post Office Department, and it is increasing these rates not because they are now too low but because the Government wants additional revenue from that source?

Mr. MOSES. Mr. President, I should prefer to deal with the question of the rate on postal cards and post cards when those amendments are reached, but I am very glad to answer the Senator now.

Mr. SIMMONS. I beg the Senator's pardon; I thought he was now dealing with that subject.

Mr. MOSES. No; we are now dealing with the amendment which provides for the rate on drop letters.

Mr. SIMMONS. I beg the Senator's pardon. I thought he read from page 37, line 18.

Mr. MOSES. No; the pending amendment is in line 16. However, I am perfectly willing to answer the Senator now if he wishes me to do so.

Mr. SIMMONS. I ask the same question with reference to drop letters.

Mr. MOSES. I have just stated that the volume of this class of mail is very small. The handling of it involves practically no labor in the post office. The Senator will observe that these are letters that are dropped into the office and put into the box of the patron of the post office or handed out through the delivery window by the postmaster. Necessarily, the amount of handling there is practically nothing, and in consequence the subcommittee believed that the existing rate of 1 cent was sufficient.

Mr. SIMMONS. Then it is the theory of the committee that we should fix rates according to the expense to the Government of affording the service?

Mr. MOSES. Mr. President, we could not do that in every case. The Senator did me the honor to listen to me with patience for two or three hours the other day—

Mr. SIMMONS. I did; and I heard a very, very fine speech.

Mr. MOSES. And the Senator heard me say that. If the Senator is insistent that as to every amendment proposed by the subcommittee we shall be able to demonstrate that the increase we are suggesting meets the cost of handling that particular piece of mail, I say to the Senator frankly now that that is not the case. We have been endeavoring to draw as consecutive, as consistent, as symmetrical a system of rates as could be drawn to meet the conditions thrust upon us by the President's veto; namely, of getting out of increased postal revenues the amount of money necessary to pay the wholly justifiable increases in postal salaries. We do not pretend to any monopoly of wisdom about this. We do not necessarily think that each conclusion we have reached is sacrosanct and should not be criticized or tampered with. We simply say that we have produced as consistent and symmetrical a body of rates as was possible under the circumstances which necessitate this legislation; and the Senator will remember that I pointed out over and over again that the whole structure of rates as proposed here leads up to the culminating amendment in the bill, which looks forward to a complete investigation and a per-



manent, thoroughly consistent, readily defensible schedule of postal rates.

Mr. SIMMONS. Mr. President, if the Senator will pardon me, I am not, at least at this time, criticizing the committee. What I am trying to do is to develop, if I can, the line of policy which controlled the committee in writing these new rates; that is to say, was it the theory of the committee that the rate ought to be fixed upon the basis of the cost to the Government of furnishing the service?

Mr. MOSES. That was manifestly impossible in many cases.

Mr. SIMMONS. I wanted to develop whether that was the general policy of the committee and the thought of the committee in fixing the rates; then, again, whether, in the judgment of the committee, the rates they fix are more equitable than the rate which they supplant; and was it the idea of the committee in increasing the rate that the present rate was too low and ought to be increased, or was it the idea of the committee that, notwithstanding the present rate was not too low, it ought to be raised to enable the Government to put the Post Office Department upon the basis of a business investment?

I am simply trying to find out from the Senator upon what general policy these rates were increased.

Mr. MOSES. Mr. President, it is not possible to state a theory which will apply to each change in rates contained in the bill as it came to us originally, or in the bill as it now stands with all of the amendments of the subcommittee. The general theory of the committee in dealing with the subject was to allocate so many millions of dollars of additional revenue through the four classes of mail matter, so that each class should bear some share—as nearly as we could determine it, a reasonable share—of the millions to be raised. Therefore, Mr. President, in this section which deals with the drop letters, the postal card, and the post card, we put the only increase which this section contains upon that element of first-class mail which, in our opinion, does not necessarily constitute a proper factor in public activity, and which also carries with it a commercial or merchandising feature. In other words, we left the drop letter, such as we are now discussing, exactly as it has been; we left the postal card, which is the Government card, exactly as it has been, and we put the increase on the private mailing card, the picture post card, every legitimate purpose of which is subserved by the Government card, and into which, as I have already said, there enters a commercial or merchandising element. That is the theory upon which the change in rates, as contained in section 201, which we are now discussing was made.

Mr. SIMMONS. Mr. President, of course I did not expect the Senator, as the chairman of the subcommittee, who explained this bill, to give exact figures or make exact answers to the question as to what was the proper price to pay for this service, but I did desire to know the general policy adopted by the committee. As I now understand the Senator, he states, in substance, that it was ascertained that there was a certain deficit in the revenues in the Post Office Department, and it was desired to provide for that deficit by levying increased rates upon these four classes of mail matter; and that pursuing that policy of raising enough money to fill this hole—to meet this deficit—they allocated the increases in rates that would be necessary to provide this additional revenue by raising rates upon a certain class of mail a certain sum, another class a different sum, and so on, with a view of raising a sufficient amount of money to pay the increased salaries of the post-office employees.

Mr. MOSES. I said that to the Senator the other day, and I have just said it to him again.

Mr. SIMMONS. The Senator knows very well that that is a proposition which I combat very seriously. If that is the general policy, then it is a policy which does not meet with my approval. I wanted to know if I was correct as to the policy pursued by the committee, and I find, from the answers of the Senator from New Hampshire, that I am. These increases were not made by the committee because the committee had investigated and found the present rates too low, but because the committee found that more money would be needed if we increased the salaries of the post-office employees, and they divided up the deficit which would be created by the salary increases, and allocated it to the different classes of mail, increasing the rates upon those classes sufficiently to raise the apportionment that was assigned to each.

Mr. MOSES. Mr. President, what the Senator from North Carolina says is, to a degree, correct. I call his attention to the fact that I not only answered his question substantially in

the form which he has stated, but I volunteered that statement on the floor of the Senate some days ago. I have nothing to conceal from the Senator from North Carolina or from the Senate, but I want the Senator from North Carolina to believe this, in addition, that we did not undertake to allocate this money to the four classes of mail by mere rule of thumb. We undertook, so far as the testimony at our command would permit, so far as the limited time which we deemed we could give to the subject now would permit, to allocate this money through the four classes of mail matter with such degree of justice as the circumstances would make possible, and I said, and I say it again, and I can not say it too often, no matter how long the debate on this bill may run that the entire structure of amendments proposed by the subcommittee works up to the last amendment which we propose, an amendment which looks to a searching inquiry into the whole subject of postal rates, a subject, Mr. President, too diverse, too complicated to be considered at a time when the senatorial mind is engrossed with the great variety of business here on the floor and in the committee room, a subject which probably will necessitate an investigation into the question of railway mail pay again, because of the incongruities in the Postal Service now, where we sell postage by the pound and pay for its transportation by cubic feet, involving many questions of general policy which have existed since the beginning of the Post Office Department, but upon which there has been built up what I, at least, deemed to be a series of abuses, a series of extensions, at any rate, which were never contemplated. In other words, I think that the postal rate structure as it exists to-day, to a degree, as it will exist if every amendment which I have proposed shall be adopted, contains certain inconsistencies, certain incongruities, which should be done away with. They could not be done away with completely in the manner in which the subcommittee was able to deal with the subject. The Senator will forgive me if I say that neither he nor any other Senator here, in the time at our disposal between now and the 4th of March, could deal with the subject satisfactorily.

In order to meet a situation which I deemed to be acute, to bring about action which I believed to be thoroughly justified for the increase of the salaries of postal employees, we have devised this measure, and I had thought to disarm the Senator from North Carolina by frankly saying it was emergency, stop-gap legislation intended to cover an immediate situation.

Mr. SIMMONS and Mr. COPELAND addressed the Chair.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair.) Does the Senator from New Hampshire yield; and if so, to whom?

Mr. MOSES. I yield to the Senator from North Carolina.

Mr. SIMMONS. The Senator did discuss this question upon the floor of the Senate, when he reported his bill, in a very illuminating way, and I took occasion then to ask the Senator some questions, not exactly upon the line of the questions I have propounded to-day but in some measure covering the same ground. The Senator knows that the Senate does not begin thoroughly to consider and reflect upon these big measures during the general debate on them. It only begins to do that when we start to deal with the measure in detail, by amendment, and my thought was, notwithstanding the fact that the Senator had expressed himself heretofore,—not so fully as he has now, not so completely as he is now, but very ably and very adroitly—now that we were taking up the bill for the purpose of considering amendments to it, it would be well to bring out the facts with reference to these amendments as we deal with them. In order to determine our action it was very important that we should understand clearly the policy upon which the bill was based.

As I now understand the Senator, he admits that the committee had to proceed with the investigations and the preparation of this bill—a matter of great public import and of great significance and importance to millions of people in this country—in a great hurry, in a great haste. I imagine that in the hurry and the haste the committee had in mind the chief purpose, which I now understand to be to raise additional revenue, and in carrying out that purpose I fear very much that they did not give proper consideration to the question which underlies that. That question is whether or not the present rates with which the committee is dealing, with a view of increasing them, are just and fair rates for the service performed. The people of this country are entitled to the cheapest possible service and the best possible service. I am afraid that the committee lost sight of that very fundamental fact in reaching its conclusion and did not have the time, or, if it had the time, did not take the time, to make a thorough and



rigid inquiry, such as the importance of the question demanded, as to whether or not the present rates are adequate.

I am inclined to think that, due very likely to the fact that the committee did not have sufficient time, and to the fact the committee is conscious of the fact that it has not properly investigated this fundamental factor in the problem, the committee proposes that the bill which they now ask us to pass with reference to the increase of rates shall be of temporary duration, and that within a very short time—less than a year, I think—this part of the bill is to terminate. Am I correct about that?

Mr. MOSES. That is quite right. The Senator and I had a colloquy about that the other day.

Mr. SIMMONS. When we are put on notice by what seems to be a practical admission by the committee that it did not properly investigate all the phases and all the factors which ought to enter into the consideration of these increases—what they propose with reference to the temporary life of this bill indicates that they are conscious themselves of that—then we should scrutinize this legislation very carefully.

Mr. MOSES. I will be very glad to cooperate with the Senator from North Carolina in elucidating any feature of this rate structure as proposed. The Senator undertook to state my position for me two or three times in the course of his interruption. I will now state it for myself, so far as section 201 is concerned.

I believe that the rate of 1 cent for a drop letter, as proposed here, is an adequate rate for the Government to exact for that service, and that is why I am maintaining that this amendment of ours should prevail.

I believe, further, that the convenience of the postal card, the Government publication, its value to a certain type of users of the mails, is such that 1 cent is a just rate to exact for that.

When we come to the other class, however, the private mailing card, which I have described as containing an element of merchandising and of business and of profit making for individuals as against the Government, I am prepared to maintain that the increased rate which we seek to apply is just.

Mr. SIMMONS. Does the Senator think that by increasing the rate more revenue will be realized? That I understand to be quite a debated question.

Mr. MOSES. Mr. President, the manufacturers of the picture post cards come to me, as I suppose they come to the Senator from North Carolina—

Mr. SIMMONS. No; they have not been near me.

Mr. MOSES. As they come to others, and say "If this increased rate is put on, we will be put out of business." The Senator from North Carolina is thoroughly familiar with that type of prophetic argument. He heard it at least ten thousand times when he was acting on tariff bills or tax bills during the time of his distinguished service as chairman of the Committee on Finance, and he knows that that type of argument amounts to nothing. It is based upon self-interest, and we have not attempted to draw this bill to make any one of these rates revolve about a single individual, a single enterprise, a single group of publications, a single community of users of the mails. We have attempted to allocate the rates in such wise as we could without the complete knowledge which the Senator said we should have for permanent rates, and which I admit we should have, but which we can not get except with months and months of painstaking investigation.

Mr. OVERMAN and Mr. COPELAND addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Hampshire yield, and if so, to whom?

Mr. MOSES. I yield first to the Senator from New York, because he has been waiting patiently.

Mr. COPELAND. We find the Senator from New Hampshire this morning in an exceptional mood.

Mr. MOSES. No; perfectly natural.

Mr. COPELAND. He is yielding and unusually frank this morning.

Mr. MOSES. I hope the Senator from New York is not undertaking to convince the Senate or others that the Senator from New Hampshire is not generally frank in the discussion of a matter.

Mr. COPELAND. I think I used the term "exceptionally frank."

Mr. MOSES. I thank the Senator for the adverb.

Mr. COPELAND. I assume that the Senator has admitted that this stop-gap legislation intended to justify, I presume, the presidential veto, and at the same time to provide for increases in postal rates.

Mr. MOSES. I shall have to take the floor again in my own right at this point before I lose sight of the particular question the Senator from New York is raising.

Mr. COPELAND. Very well; I shall sit down.

Mr. MOSES. Oh, not at all, so far as I am concerned.

Mr. COPELAND. I thought the Senator was declining to yield further.

Mr. MOSES. Oh, no; not at all; but I do not want the Senator from New York to get too far away from this particular point before I make my rejoinder. So far as I am concerned, the measure which I am now discussing was not drafted to justify the presidential veto. I voted to override that veto; therefore I do not have to justify it.

Mr. COPELAND. The Senator admits that the bill is unscientific and probably improper in many of its features.

Mr. MOSES. Oh, no.

Mr. COPELAND. Hastily made.

Mr. MOSES. Quickly made, but by very talented men.

Mr. COPELAND. Often talented men make the grossest mistakes. There is no question that the bill proposed by the committee and defended so ably by the eloquent Senator from New Hampshire is a bill which has offended the farmers. It has offended the press; it has offended the fraternal journalists; it has offended the religious editors. If I may suggest to the Senator from New Hampshire, this would be a good time to move to strike out Title II of the bill, let the investigation go on, and let the committee bring in at some time a bill which is scientific and not, to use the words of the Senator himself, simply stop-gap legislation.

Mr. MOSES. I am not sure that the Senator from New York has enumerated all the classes of people who feel themselves aggrieved by the proposed increases in rates. I assume everybody whose self-interest is affected will oppose any increase in the postal rates at any time under any circumstances. My observation and the discussion I have had with those who have been opposing the schedule of rates which the bill carries is that the opposition chiefly arises from self-interest, but most of them want to see increased salaries paid the postal employees. Most of them agree that the general policy of the President is right when he insists that there shall be an increase in postal revenue for the purpose, but all of them insist that somebody else shall pay, not they.

Mr. SWANSON. Mr. President, will the Senator yield to me a moment?

Mr. MOSES. Certainly.

Mr. SWANSON. I wish to give notice to the Senator and to the Chair that I am going to raise a point of order against Title II of the bill, and I would like to hear the Senator from New Hampshire on that question.

Mr. MOSES. Does the Senator mean the whole rate section?

Mr. SWANSON. Yes.

Mr. MOSES. The Senator is going to raise the point of order against the entire Title II?

Mr. SWANSON. Against that portion of the bill which proposes to raise revenue.

Mr. MOSES. I do not care to discuss a moot question. If the Senator from Virginia will make his point of order now and let us get it clear, I am willing to discuss it. The Senator from Virginia wishes—

Mr. SWANSON. I make the point of order—

Mr. MOSES. Just a moment. Let me see how the Senator states it. He intends to make the point of order against that portion of the bill beginning with line 11, on page 37—

Mr. SWANSON. Yes; and all the rest of the bill.

Mr. MOSES. Wait a moment—down to and including line 4, on page 52. I understand that Senators on the other side of the Chamber who have been discussing the question this morning are most eager for a searching investigation to be made, and that is provided for in section 217.

Mr. SWANSON. As to the section that does not undertake to raise revenue, I make no point of order, because I do not think it would be subject to a point of order, but as to that portion of the bill in Title II down to section 217, the point of order that I make is that it proposes to raise revenue and put money in the Treasury, and under the Constitution of the United States measures that undertake to raise revenue must originate in the House of Representatives. So much of the pending bill as contemplates raising revenue, inasmuch as the measure originates in the Senate, is in contravention of the Constitution of the United States. I wish to make that point of order when I can do so.

Mr. MOSES. Is the Senator going to make the point of order?

Mr. SWANSON. Yes; I make it now.

The PRESIDING OFFICER. Does the Senator from New Hampshire yield for that purpose?

Mr. MOSES. Yes; I am perfectly willing to have that question raised at this time.



Mr. STERLING. Is the point of order raised now with the expectation that it will be considered and disposed of at this time?

Mr. SWANSON. I am ready to dispose of it at this time.

Mr. MOSES. So far as I am concerned, I am entirely willing that the point of order shall be raised and taken up for discussion now.

The PRESIDING OFFICER. Does the Senator from New Hampshire yield the floor for that purpose?

Mr. MOSES. I did yield for the purpose of having the point of order made; in fact, I invited the Senator from Virginia to make it.

Mr. SWANSON. I make it now.

Mr. MOSES. The Senator from Virginia in turn invites me to proceed with the discussion. I think the prosecution had better say something first.

Mr. SWANSON. By courtesy I merely suggested, not insisted. I am always glad to hear the Senator speak, but I did not desire to take him off the floor in order that I might make the point of order. I only thought that I ought to notify him that I intended to do it, because I am satisfied we have no authority in the Senate to originate revenue measures.

Mr. MOSES. I gave the Senator from Virginia full opportunity to make the point of order, and he has submitted it. I do not think I ought to be called upon to discuss it until the Senator from Virginia has at least amplified his views about it to some extent, and I therefore yield the floor to him for that purpose.

Mr. SWANSON. I shall be very glad to do so. The Constitution provides that measures for the purpose of raising revenue must originate in the House of Representatives. This bill did not originate in the House of Representatives, but in the Senate. It is a proposition to use the taxing powers of the Government to raise revenues or moneys to go into the Treasury of the United States. I wish to say that the issuance of bonds to raise money to go into the Treasury, the raising of revenue that goes to the Treasury, ought to be incorporated in bills or measures which originate in the House of Representatives. That is so provided in the Constitution, and the Constitution speaks for itself.

The PRESIDING OFFICER. If the Senator from Virginia will indulge the Chair just a moment, the Chair will say that the same point of order was made January 16, 1924, as to Senate bill 120, to provide for a tax on motor-vehicle fuel in the District of Columbia, and for other purposes. The Presiding Officer then held that the Chair has no authority to pass on the constitutionality of a bill and submitted the question to the Senate, Shall the point of order be sustained? The present occupant of the chair would take the same position, and the point of order raised by the Senator from Virginia will be submitted to the Senate.

Mr. SWANSON. That is agreeable. I am willing to vote now.

Mr. CARAWAY. What will the vote be on—the point of order?

Mr. SWANSON. If the point of order is to be sustained the vote will be "yea." If it is not to be sustained, the vote will be "nay."

The PRESIDING OFFICER. The question is, Shall the point of order raised by the Senator from Virginia be sustained?

Mr. STERLING. There will be an opportunity to discuss the question, of course?

The PRESIDING OFFICER. The matter is submitted to the Senate and it can discuss it as it sees fit.

Mr. MOSES. Has the Senator from Virginia concluded his discussion of the question?

Mr. SWANSON. I wish to say further that the House of Representatives is very jealous on this question and I am satisfied, if the bill goes to the House of Representatives, that it will refuse even to consider it. It has always refused to consider measures where its right to originate bills for producing revenue was involved. The right to originate bills for the purpose of raising revenue rests in the House of Representatives. I remember once when I was chairman of the Committee on Naval Affairs that expenses were pretty heavy and we originated a measure to raise revenue for the purpose of meeting those expenditures. The bill passed the Senate, but the House of Representatives refused even to consider the bill until it was sent back to the Senate and that provision was eliminated.

It seems to me the right, fair, just way is for the Senate to confine itself to its functions and pass a bill providing what we think is right in the way of increased salaries, and then let the House of Representatives originate the measure to provide the funds to pay the salaries.

Mr. CARAWAY. Before the matter is discussed let us have a quorum, so that everybody may know what the question is.

Mr. SWANSON. I think that is a good idea.

Mr. CARAWAY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Arkansas suggests the absence of a quorum. The clerk will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Edwards	McCormick	Shields
Ball	Ernst	McKellar	Shipstead
Bayard	Fernald	McKinley	Shortridge
Bingham	Ferris	McNary	Simmons
Borah	Fess	Mayfield	Smith
Brookhart	Fletcher	Means	Smoot
Broussard	Frazier	Metcalf	Spencer
Bruce	Gooding	Moses	Sterling
Bursum	Hale	Neely	Swanson
Butler	Harrell	Norris	Underwood
Cameron	Harris	Oddie	Wadsworth
Capper	Harrison	Overman	Walsh, Mass.
Caraway	Heflin	Pepper	Warren
Copeland	Howell	Phipps	Watson
Couzens	Johnson, Calif.	Pittman	Weller
Curtis	Jones, Wash.	Ralston	Wheeler
Dale	Kendrick	Ransdell	
Dial	Keyes	Reed, Mo.	
Dill	King	Sheppard	

The PRESIDING OFFICER. Seventy-three Senators having answered to their names, a quorum is present.

Mr. SWANSON. Mr. President, I will state for the benefit of Senators who were not then present that I have raised a point of order against the provisions of Title II of the pending bill, which increases rates of postage on various classes of mail matter therein included, embracing parcel post, letters, journals, and so forth. The point of order is made on the ground that that portion of the bill is contrary to section 7 of the Constitution which provides that "All bills for raising revenue shall originate in the House of Representatives."

Inasmuch as we have not now before us a revenue raising bill, sent here from the House of Representatives, I consider the portion of the bill which proposes to raise revenue subject to the point of order. The provisions of the bill, however, proposing to increase the salaries of postal employees are such as the Senate would have a right to enact; but I make the point of order against Title II of the bill which contravenes the right of the House of Representatives to originate revenue-producing measures.

The only defense which has ever been urged for such legislation as that contained in Title II is that the rates of postage provided constitute a charge for a service and are not proposed for the purpose of raising revenue. It is very hard, however, to make any such distinction, where the money so raised goes into the Treasury to be used for all purposes of the Government. All the revenue collected by such charges goes into the Treasury to be appropriated by Congress. Consequently, it seems to me, that under the general principles governing such legislation, the rates proposed clearly can not be held to be charges for service rendered, as they are, when collected, covered into the Treasury with all the other revenues of the Government, and, therefore, must be considered as revenue going into the Treasury to be appropriated out of the Treasury by Congress, as are any other revenues.

There have been some cases in which it has been held as to some specific matters, where the Government makes specific charges for services, that amendments affecting such charges, proposed in the Senate, do not constitute revenue legislation. This, however, is a case where the money will go into the Treasury; it will go through all the ordinary processes of collection; and it can only be appropriated out of the Treasury by Congress as are other revenues.

It seems to me, in addition, that we ought not to assume the power of attempting to enact such legislation when the House of Representatives has always been very scrupulous in insisting revenue measures should originate with them. It seems to me we ought to adhere to the policy of not permitting to originate in the Senate on bills increasing salaries amendments for the purpose of raising revenue. Under the circumstances I make the point of order against so much of the bill as contemplates raising revenue by an increase of postal rates.

Mr. MOSES. Mr. President, far be it from me to attempt to measure swords with the Prince Rupert of debate from Virginia, a great constitutional lawyer, a great executive, and a great legislator; but the Senator has stated the case for the proponents of Title II of this bill. Our contention is that this is not an appropriation bill within the meaning of the Constitution. We base that contention upon the fact that the



provision giving absolute, complete control of revenue bills in their origination to the House of Representatives is found in one place in the Constitution, whereas the broad power of Congress to establish post offices and post roads, a concomitant portion of which power is the payment of salaries, is to be found in another place.

We maintain further, Mr. President, that the payments provided for in the schedule of rates in Title II of the bill are not payments of revenue in the form of general taxation; that they are payments for specific services carefully enumerated in the body of the measure itself; and that they are paid by no one who does not enjoy those services. They are unlike a general levy of a tax burden upon the whole body of the people.

Mr. STERLING. Mr. President, the Senator from New Hampshire has stated briefly, but very well indeed, the case against the point of order made by the Senator from Virginia.

This is not a bill raising revenue in the ordinary sense of the term, or a bill raising revenue within the meaning of the constitutional provision, which is to the effect that bills raising revenue must originate in the House of Representatives. The exact wording of the constitutional provision is:

All bills for raising revenue shall originate in the House of Representatives; but the Senate may propose or concur with amendments as on other bills.

It has been stated—and the Senator from Virginia himself made the statement—that it is contended, on the part of the advocates of this bill, that the rates proposed in the bill represent charges for services rendered. That is the fact; and the bill proposes to raise the means with which to pay for the services rendered and to pay increases in the salaries of postal employees. It is not a tax bill or a revenue bill within the meaning of the words "for raising revenue" as used in the Constitution.

I wish to call attention to a few authorities. I first looked up the authorities, following a suggestion by the Senator from Virginia some weeks ago when this matter was before the Senate that he thought the bill was objectionable on the ground that it was a bill for raising revenue. I call attention first to the case of United States against Norton, found in Ninety-first United States Reports, at page 566. That was a criminal case, and I can not take time to read or state the facts in the case, but the court said:

The offenses charged were crimes arising under the money order acts. The title of that act does not indicate that Congress, in enacting it, had any purpose of revenue in view—

Although, of course, it provided for a charge or fee for money orders issued—

its object, as expressly declared at the outset of the first section, was "to promote public convenience and to insure greater security in the transmission of money through the United States mails."

Now, with reference to what was done with the money received for money orders and money charged as fees for the issuing of money orders the court says:

All moneys received from the sale of money orders, all fees received for selling them, and all moneys transferred in administering the act are "to be deemed and taken to be money in the Treasury of the United States." The Postmaster General is authorized to allow the deputy postmasters at the money-order offices, as a compensation for their services, not exceeding "one-third of the whole amount of fees received on money orders issued," and at his option, in addition, "one-eighth of 1 per cent upon the gross amount of orders paid at the office."

And so forth. Then the court says:

There is nothing in the context of the act to warrant the belief that Congress in passing it was animated by any other motive than that avowed in the first section. A willingness is shown to sink money, if necessary, to accomplish that object.

In no just view, we think, can the statute in question be called a revenue law.

The lexical definition of the term "revenue" is very comprehensive. It is thus given by Webster: "The income of a nation, derived from its taxes, duties, or other sources, for the payment of the national expenses."

Then the court comments upon the expression "other sources," and says:

The phrase "other sources" would include the proceeds of the public lands, those arising from the sale of public securities, the receipts of the Patent Office in excess of its expenditures, and those of the Post Office Department, when there should be such excess, as there was for a time in the early history of the Government. Indeed, the phrase

would apply in all cases of such excess. In some of them the result might fluctuate, there being excess at one time and deficiency at another.

It is a matter of common knowledge that the appellation "revenue laws" is never applied to the statutes involved in these classes of cases.

The court indicates that to say that the expression "other sources" comprehends conditions such as we now have before us in connection with the adjustment of rates, and that measures making such provision because of that could be called bills "for raising revenue" would be absurd.

The construction of this limitation is practically well settled by the uniform action of Congress. According to that construction it "has been confined to bills to levy taxes in the strict sense of the words, and has not been understood to extend to bills for other purposes which incidentally create revenue."

"Bills for raising revenue" when enacted into laws, become *revenue laws*. Congress was a constitutional body sitting under the Constitution. It was, of course, familiar with the phrase "bills for raising revenue," as used in that instrument and the construction which had been given it.

The precise question before us came under the consideration of Mr. Justice Story, in the United States v. Mayo (1 Gall. 396). He held that the phrase *revenue laws*, as used in the act of 1804, meant such laws "as are made for the direct and avowed purpose of creating revenue or public funds for the service of the government." The same doctrine was reaffirmed by that eminent judge, in the United States v. Cushman, 426.

Mr. HARRISON. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Mississippi?

Mr. STERLING. Yes; I yield to the Senator.

Mr. HARRISON. The Senator recalls that some months ago—I do not remember now all the facts touching it—there was a piece of legislation proposed here, I think introduced by the Senator from Delaware [Mr. BALL], carrying out a certain agreement between the District of Columbia and the State of Maryland touching the gasoline tax. That question, as I recall, was left to the Senate, and the Senate decided that it was a revenue bill, and refused to take it up for consideration. It was then sent back to the House; the House then passed it; and it then came before the Senate. Did not the Senator vote at that time that that was a revenue bill, and that it was not properly before the Senate?

Mr. STERLING. I do not recall.

Mr. HARRISON. The Senator ought to look up his record on that proposition.

Mr. STERLING. I will say frankly to the Senator that I do not recall that bill nor the circumstances.

Mr. HARRISON. Does not the Senator think that is a bill pretty much in point?

Mr. STERLING. No; I do not, in connection with this.

Mr. SWANSON. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Virginia?

Mr. STERLING. I yield to the Senator from Virginia.

Mr. SWANSON. How would this measure be retarded in its progress to final enactment if we should sustain this point of order and send the measure providing for the increase of salaries over to the House? The House has to agree to it anyway; and the House, having the power to originate tax measures, could put on the bill any amendment which it saw proper in connection with taxes. The bill would then come back to the Senate. Does the Senator see how the measure would be hurt by going over in that way, and not having this conflict as to the jurisdiction of the two bodies?

Mr. STERLING. Mr. President, in view of the time I should say that this matter ought to be disposed of here and now and in this bill, and that the Senate ought to take the view which I sincerely believe to be the correct view—that this is not a revenue measure—and if they take that view, we will be that much further along with the enactment of this legislation.

Take the case of Twin City Bank against Nebeker, found in One hundred and sixty-seventh United States:

The contention in this case is that the section of the act of June 3, 1864, providing a national currency secured by a pledge of United States bonds, and for the circulation and redemption thereof, so far as it imposed a tax upon the average amount of the notes of a national banking association in circulation, was a revenue bill within the clause of the Constitution declaring that "all bills for raising revenue shall originate in the House of Representatives"; \* \* \*



that it appeared from the official Journals of the two Houses of Congress that while the act of 1864 originated in the House of Representatives, the provision imposing this tax was not in the bill as it passed that body, but originated in the Senate by amendment, and, being accepted by the House, became a part of the statute; that such tax was, therefore, unconstitutional and void; and that, consequently, the statute did not justify the action of the defendant.

It will be observed, from reading the opinion of the court, that the court would regard it as wholly immaterial whether the bill originated in the Senate or not; it was not a revenue-producing measure.

The court says:

The case is not one that requires either an extended examination of precedents or a full discussion as to the meaning of the words in the Constitution, "bills for raising revenue." What bills belong to that class is a question of such magnitude and importance that it is the part of wisdom not to attempt, by any general statement, to cover every possible phase of the subject. It is sufficient in the present case to say that an act of Congress providing a national currency secured by a pledge of bonds of the United States, and which, in the furtherance of that object, and also to meet the expenses attending the execution of the act, imposed a tax on the notes in circulation of the banking associations organized under the statute, is clearly not a revenue bill which the Constitution declares must originate in the House of Representatives. Mr. Justice Story has well said that the practical construction of the Constitution and the history of the origin of the constitutional provision in question proves that revenue bills are those that levy taxes in the strict sense of the word, and are not bills for other purposes which may incidentally create revenue.

Mr. President, in no sense of the word does this bill provide for the levy of taxes. This bill adjusts rates of pay for service rendered. Those who use the mails.

Mr. BRUCE. Mr. President—

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Maryland?

Mr. STERLING. I yield to the Senator from Maryland.

Mr. BRUCE. I will ask the Senator whether a valuable legal analogy in cases of this kind is not furnished by an act of Congress providing that a particular Federal officeholder shall be paid out of the fees of his office? An act of that kind, it seems to me, would hardly be called an act to raise revenue.

Mr. STERLING. No.

Mr. BRUCE. In other words, the officeholder would not be paid out of anything which it seems to me could be accurately described as revenue. He would be paid a quantum meruit.

Mr. STERLING. To be sure.

Mr. BRUCE. And in the same way it seems to me that a bill like this, so far as this particular compensation is concerned, is not to be referred to that part of the section of the Constitution which says that "all bills for raising revenue shall originate in the House of Representatives," but to that part of the same article which confers upon Congress the power "to establish post offices and post roads."

Mr. STERLING. Certainly.

Mr. BRUCE. In other words, as I look at it, the provision for postage in a bill of this kind is simply a provision for a quantum meruit; that is to say, for a special compensation for the special postal service that is rendered.

Mr. STERLING. Yes.

Mr. BRUCE. I have taken the liberty of submitting those ideas to the Senator for consideration, for whatever they are worth.

Mr. STERLING. I thank the Senator, and I think the analogy is a very good one, indeed.

Just a word from this decision, now, Mr. President.

Mr. SIMMONS. Mr. President, will the Senator pardon me a moment?

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from North Carolina?

Mr. STERLING. I do.

Mr. SIMMONS. Just at this point I want to say that some questions I propounded this morning were in part for the purpose of eliciting from the committee an expression as to whether these rates had been increased because they were regarded as too low, or whether they had been increased for the purpose of raising revenue to supply a governmental deficiency. I conceive that to be very important upon the very question that is pending before the Senate right now; and I understood the Senator from New Hampshire [Mr. MOSES] to admit that they were levied without any due consideration of the question of the inadequacy of the present rates and for the purpose of raising money to meet a deficit in the Post Office Department.

Now, if the Senator from South Dakota will pardon me, I should like to say this, so that he may answer: I have anticipated this very motion. I have recognized that the question was a very close one, but I have recognized what the Supreme Court seems to have recognized in one of the leading cases quoted by the Senator—that it was a question which would depend very largely upon the purpose and intent with which the increase was made. If it is for the purpose of raising revenue to meet a governmental situation, then it would be given one construction. If it is simply for the purpose of increasing pay for a service, it would be given another construction. That is a nice question which the bill raises.

I observe by reading the title of this bill that it is entitled:

A bill reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes.

In other words, it is a bill increasing postal rates for the purpose of raising revenue to pay increased salaries. Now, take that, together with the admission of the Senator from New Hampshire, who was chairman of the subcommittee which framed this measure, that the governing purpose was to raise revenue to put in the Treasury for the purpose of meeting a Government deficit, and have we not a clear indication that the purpose of this bill is not to adjust and balance and fix postal rates according to the requirements of the service and the value of the service, but that it is for the purpose of raising money to pay for a governmental charge, namely, the salaries of its employees?

Mr. President, the House of Representatives has been very jealous of its prerogatives in this respect. Several times since I have been in the Senate, when we passed a measure that we did not ourselves think was a revenue measure but that the House construed as being one for the purpose of raising revenue, it has sent the bill back to us and resented our action upon it as an encroachment upon the prerogatives of the House.

The Senator says that these are not revenue rates. I recall this matter, which I wish to call to the attention of the Senate, and which is only one illustration of many that might be drawn from the revenue bills we have been passing here in recent years:

We dealt with the question of raising revenue in a bill passed here some years ago. That was the sole object and purpose of it. One of the ways that we devised for raising revenue was an increase in the rate of postage upon first-class matter. Before the passage of that bill the postage rate upon letters, first-class matter, was 2 cents. To raise revenue for the purpose of defraying the expenses of the Government, we increased that rate from 2 to 3 cents, and that is exactly what the Senator's bill does with reference to these matters affecting rates.

The Senator from Tennessee [Mr. SHIELDS] suggests—and I thank him for the suggestion; it is adding force to the contention, and it is not my contention; it is the contention of the Supreme Court; the Senator has just read it—that the question is, Was the purpose and intent to raise revenue? If that was the purpose of it, then you may camouflage it as much as you please, but you can not get rid of that intention; and it is the intention which controls in determining the question of whether or not it is a measure to raise revenue.

Mr. STERLING. Does the Senator from North Carolina agree with the interpretation given the expression "bills for raising revenue" as I have read it?

Mr. SIMMONS. I have not read that case, and I could not say to the Senator whether I agree with it or not. I was merely referring to the part of it which I understood the Senator to read, stating that the question of whether it was a revenue-raising proposition depended in part upon the purpose as well as upon the language.

When the President of the United States vetoed the late measure providing for increases of the salaries of postal employees, he did so upon the ground of lack of revenue, and suggested that if the Congress would, at the same time it enacted this legislation, or contemporaneously therewith, provide sufficient revenue with which to meet the increased expenses of the Post Office Department, then his view with reference to the proposed salary increase might be different. Now the Senate is attempting to carry out the requirement of the President and do that very thing which he said must be done, namely, that the Congress must devise means and enact legislation for the purpose of raising the necessary revenue.

Mr. STERLING. Does the Senator from North Carolina think that this is a bill for the purpose of levying taxes in the strict sense of the words?



Mr. SIMMONS. What I meant to say to the Senator was that evidently the purpose and intent of this bill is to raise revenue.

Mr. STERLING. What taxes would it levy? What else would it do than readjust the rates on certain classes of mail matter, imposing no general taxation at all on the public?

Mr. SIMMONS. It would levy the same general character of taxes that were provided for in some of the provisions of the revenue bills we passed during the war.

Mr. STERLING. Here is the interpretation put upon the language of the Supreme Court:

The construction of this limitation is practically well settled by the uniform action of Congress. According to that construction, it "has been confined to bills to levy taxes in the strict sense of the words, and has not been understood to extend to bills for other purposes which incidentally create revenue."

What is the object of this bill? Its primary purpose and object is to increase the salaries of all postal employees of the country. Then it adjusts rates which the users of the mail pay for the service so as to raise the revenue to provide for the increases.

Mr. SWANSON. Mr. President, will the Senator permit an interruption?

Mr. STERLING. Certainly.

Mr. SWANSON. In section 7 of Article I the Constitution does not mention "taxes." It refers to bills "for raising revenue."

Mr. STERLING. I am reading the language of the Supreme Court.

Mr. SWANSON. If the Senator will permit me, this is to raise \$63,000,000 of revenue, which will be put into the Treasury, and which must be appropriated out of the Treasury by act of Congress.

Mr. OVERMAN. Mr. President, if the Senator will yield to me, I think we can settle this right now. Here is a precedent.

Mr. STERLING. I yield to the Senator.

Mr. OVERMAN. I am reading from a report by Roscoe Conkling, once a Senator in this body, to whom this question was referred.

Mr. WALSH of Massachusetts. When was that?

Mr. OVERMAN. He cited the Congressional Globe of 1846, and stated that the Post Office appropriation bill in the second session of the Thirty-fifth Congress originated in the House, but that the Senate added an amendment raising the rates of postage. When that was returned to the House Mr. Grow—who was a distinguished Member of the House—objected, and said, "The amendment is in the nature of a revenue bill." The bill was returned to the Senate by the House, but the Senate adhered to its original action, and the bill failed.

That shows how the matter was construed then—that the raising of the postal rates was a raising of revenue, and the Senate having added an amendment to the bill to raise postage rates, the House would not consider the matter at all.

Mr. STERLING. Let me say, Mr. President, that I do not consider that decisive of the question involved here.

Mr. OVERMAN. It is a case in point. Does not the Senator agree that this measure provides for an increase in postage rates?

Mr. STERLING. It provides for an increase in the postage rates in some instances. Yes; I quite agree to that.

Mr. OVERMAN. What is the difference between raising postage rates in 1846 and raising postage rates now?

Mr. STERLING. I see no difference as the Senator states it. The difference is in the authorities.

Mr. OVERMAN. Such men as Roscoe Conkling, and others, have decided that it was raising revenue.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

Mr. STERLING. I yield.

Mr. WALSH of Massachusetts. Suppose we had here a bill providing for increased salaries to customs employees, and we desired to meet the increases by an increase in customs duties. Would not the Senator hold that the part of the bill which provided for increasing tariff duties would be in violation of the Constitution?

Mr. STERLING. That is a different proposition.

Mr. WALSH of Massachusetts. How is it different? Postal revenue is, as the Senator says, collected only from those who use the mails. So are customs duties and tariff protective duties collected from interested parties. The people who pay those duties are only the people who buy the goods, and it

does not seem to me that it could be classed as a general taxation law which would affect everybody.

Mr. STERLING. I think it would be classed as a general tariff tax, and all tariff acts, of course, are said to be for the raising of revenue and must originate in the House of Representatives, because they are tariff acts. This is not a bill to fix a tariff; it is a rate measure.

Mr. WALSH of Massachusetts. The Senator will agree that if a bill providing for increased salaries to those employees in the performance of collecting the customs duties were introduced, and there was a provision in it providing for an increase in the protective tariff rates, that would be in violation of the Constitution.

Mr. STERLING. I am not ready to agree to that proposition, I will say to the Senator from Massachusetts.

Now I want to call attention to further statements by the Supreme Court, going back a little and reading a few lines which I read before, in order that I may preserve the connection:

Mr. Justice Story has well said that the practical construction of the Constitution and the history of the origin of the constitutional provision in question proves that revenue bills are those that levy taxes in the strict sense of the word, and are not bills for other purposes which may incidentally create revenue. The main purpose that Congress had in view was to provide a national currency based upon United States bonds, and to that end it was deemed wise to impose the tax in question. The tax was a means for effectually accomplishing the great object of giving to the people a currency that would rest primarily upon the honor of the United States and be available in every part of the country. There was no purpose by the act or by any of its provisions to raise revenue to be applied in meeting the expenses or obligations of the Government.

This interpretation of the statute renders it unnecessary to consider whether, for the decision of the question before us, the Journals of the two Houses of Congress can be referred to for the purpose of determining whether an act, duly attested by the official signatures of the President of the Senate, the Speaker of the House of Representatives, and the President, and which is of record in the State Department as an act passed by Congress, originated in the one body or the other.

As I stated before, it would have been immaterial in which House it did originate. It could have been originated here and not have been in violation of the Constitution.

The next case to which I call attention, Mr. President, is the case of *Millard v. Roberts* (202 U. S.). Let me read just a short statement of the facts of this case and see how nearly this came to be a bill for raising revenue.

The principal allegations of the bill are that the railroad defendants are private corporations and all interested in the railway and terminal facilities of the District of Columbia; that the District of Columbia owns no stock in any of the companies nor is otherwise interested in any of them save as useful private enterprises, and yet it is required by said acts, "without any lawful consideration therefor," to pay the Baltimore & Potomac Railroad Co. the sum of \$750,000, and a like sum to the Baltimore & Ohio Railroad Co., "to be levied and assessed upon the taxable property and privileges in the said District other than the property of the United States and the District of Columbia," and for the exclusive use of said corporations, respectively, "which is a private use and not a governmental use"; that the public moneys of the District of Columbia are raised chiefly by taxation on the lands therein, and that the complainant is obliged to pay and does pay direct taxes on land owned by him therein. And the bill also alleges that the acts of Congress are "acts which provide for raising revenue and are repugnant to Article I, section 7, clause 1, of the Constitution of the United States, and are therefore null and void ab initio, and to their entire extent, because they and each and every one of them originated in the Senate and not in the House of Representatives." \* \* \*

The first contention of appellant is that the acts of Congress are revenue measures and therefore should have originated in the House of Representatives and not in the Senate, and to sustain the contention appellant submits an elaborate argument. In answer to the contention the case of *Twin City Bank v. Nebeker* (167 U. S. 196) need only be cited. It was observed there that it was a part of wisdom not to attempt to cover by a general statement what bills shall be said to be "bills for raising revenue" within the meaning of those words in the Constitution, but it was said, quoting Mr. Justice Story, "that the practical construction of the Constitution and the history of the origin of the constitutional provision in question proves that revenue bills are those that levy taxes in the strict sense of the word and are not bills for other purposes, which may incidentally create revenue." And the act of Congress which was there passed on illustrates the meaning of the language used. The act involved was one providing a na-



tional currency and imposed a tax upon the average amount of the notes of a national banking association in circulation. The provision was assailed for unconstitutionality because it originated in the Senate—

And so forth. Then, the decision quotes language which has already been quoted and referred to in calling attention to the case of Twin City Bank against Nebeker.

This language is applicable to the acts of Congress in the case at bar. Whatever taxes are imposed are but means to the purposes provided by the act.

Mr. President, that language ought to be decisive of this question in the mind of every Senator here. Referring to what was said by the Senator from North Carolina [Mr. SIMMONS], I may take the interpretation given by the Senator from New Hampshire; I may take the language of the title of the bill as it is related to this question in its broadest sense, and yet this is not a bill, according to the construction put upon this clause by the Supreme Court of the United States, for the purpose of raising revenue, and therefore it is not open to the objection made by the Senator from Virginia [Mr. SWANSON].

The PRESIDING OFFICER. The question is, Shall the point of order raised by the Senator from Virginia be sustained?

Mr. ASHURST and Mr. WALSH of Massachusetts called for the yeas and nays.

Mr. WATSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Indiana suggests the absence of a quorum. The clerk will call the roll.

The principal legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Edwards	McCormick	Sheppard
Ball	Ernst	McKellar	Shields
Bayard	Fernald	McKinley	Shortridge
Bingham	Ferris	McLean	Simmons
Borah	Fess	McNary	Smith
Brookhart	Fletcher	Mayfield	Smoot
Broussard	Frazier	Means	Spencer
Bruce	Gooding	Metcalf	Sterling
Bursum	Hale	Moses	Swanson
Butler	Harrell	Neely	Underwood
Cameron	Harris	Norris	Wadsworth
Capper	Harrison	Oddie	Walsh, Mass.
Caraway	Heflin	Overman	Walsh, Mont.
Copeland	Howell	Pepper	Warren
Couzens	Johnson, Calif.	Phipps	Watson
Curtis	Jones, Wash.	Pittman	Wheeler
Dale	Kendrick	Ralston	
Dial	Keyes	Ransdell	
Dill	King	Reed, Mo.	

The PRESIDING OFFICER. Seventy-three Senators have answered to their names. A quorum is present.

Mr. McKELLAR. Mr. President, I want to ask the Senator from South Dakota [Mr. STERLING] whether as a matter of fact all of the revenue that is derived from postal rates is not covered into the Treasury?

Mr. STERLING. Exactly.

Mr. McKELLAR. The Senator will recall that several years ago when we were in the war we raised the rate on first-class mail to 3 cents for the purpose of raising additional revenue for the Government. The Senator recalls that, does he not?

Mr. STERLING. That was the sole purpose, to raise revenue for the Government.

Mr. McKELLAR. But it increased the postage from 2 cents to 3 cents.

Mr. STERLING. And it was in the revenue act, too.

Mr. McKELLAR. Originating in the House?

Mr. STERLING. Yes.

Mr. McKELLAR. All of the revenues that were obtained from the increased rates went into the Treasury.

Mr. STERLING. One of the cases to which I referred was the case of the United States against Norton, where the courts were interpreting the application of the act providing for the money-order system. That act provided that all the moneys received for money orders and for fees for issuing money orders should be covered into the Treasury of the United States and be a part of the Government's funds, and yet they held that it was not a revenue act within the meaning of the Constitution.

Mr. REED of Missouri. Mr. President, the Senate has fallen into a very bad system of deciding points of order the way we want to decide them and not with reference to the merits of the question. The result is that we can hardly be said any longer to have rules in the Senate. I have always opposed that system, and I know that in what I am going to say I shall find myself in opposition to the desires of many of my own colleagues and to my own desires. I would like to pass a bill raising the salaries of the employees and send it to the House of Representatives and let the House accept it or reject it. If the House saw fit to add a revenue measure and commit

itself to it and it came back here, we could then pass it in that form.

My own opinion is that the bill in its present form will not be passed by the House at this session. But, Mr. President, we have raised in the point of order an important constitutional question. I regret that I have not had time to examine the authorities, but proceeding upon the light of reason it seems to me that the point of order can not be sustained. The Constitution provides that revenue measures shall originate in the House of Representatives, and that raises the question whether this is a revenue measure. Now, what are the facts? The United States is engaged in performing a service. It carries the mail from one part of the country to another, and for that service it fixes a charge. It says to the citizens of the United States: "We will carry a letter written by you across the country for 1 cent or 2 cents, or for some other specified sum. If you do not want to employ us, you do not have to employ us, but if you do employ us, you must buy a stamp of a certain denomination and put that stamp upon your letter and thus pay for the service." Revenue measures as referred to in the Constitution do not in my judgment apply to that character of charge.

I have had only a moment, and I have examined just one of the authorities which were cited by the Senator from South Dakota [Mr. STERLING]. It seems to me, however, that the language of the syllabus, which, I take it, must conform to the text—I have not had time to read the text—the language of the syllabus settles it:

Revenue bills, within the meaning of the constitutional provision that they must originate in the House of Representatives and not in the Senate, are those that levy taxes in the strict sense of the word and are not bills for other purposes which may incidentally create revenue.

Now, who is prepared to say that this is a tax in the "strict sense" of the term?

Mr. CARAWAY. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Arkansas?

Mr. REED of Missouri. Yes.

Mr. CARAWAY. Following that line of reasoning, if the Congress should decide that import duties were for the purpose of regulating the inspection of the kind of goods that are to be admitted we could levy any kind of a tax.

Mr. REED of Missouri. I do not follow the Senator on that.

Mr. CARAWAY. I recall, and the Senator from Missouri will, too, that a few years ago there was an attempt under the Smith-Lever bill to control cotton futures. The Senate put on an amendment in the nature of a substitute providing a special tax. The law went to the court, and the court said it was a revenue bill. Although it was a tax upon the transfer of a certain number of bales of cotton, so much being required to be paid for each bale that was transferred, it was a service for which the Government was charging a tax. It was called a tax; it was levied as a tax; and the court said it was a revenue measure, and, therefore, must originate in the House of Representatives.

Mr. REED of Missouri. Mr. President, I do not think that case is in point. The Government in that instance was levying a tax in fact, and the court said that it was a revenue measure; but the charge in this instance has no relation to a tax; it has nothing to do with a tax. This charge is for a service rendered.

Mr. CARAWAY. Mr. President, may I ask the Senator a question?

Mr. REED of Missouri. Certainly.

Mr. CARAWAY. When the World War was on and we were raising revenue to carry on the war, in a revenue bill, one which was looked upon as a revenue measure, we increased first-class postage rates from 2 to 3 cents. The money went into the Treasury exactly as will the money levied under this bill should it become a law. That was a revenue measure, and this is a revenue measure, if that was. The Senator from Missouri recalls the increase of rates of postage?

Mr. REED of Missouri. Yes.

Mr. CARAWAY. Was that a revenue measure?

Mr. REED of Missouri. I do not think it was, but such legislation might have gone into a revenue bill.

Mr. MOSES. May I suggest to both the Senators that at the time that was done there was a very great outcry against the Finance Committee here and the Ways and Means Committee of the House of Representatives for having invaded the legislative prerogatives of the Committees on Post Offices and Post Roads in both branches.



Mr. REED of Missouri. Mr. President, the distinction that I think I see—I sometimes do not see things right, perhaps, a majority of times I do not—is this: A bill may be brought in here that is a strictly revenue measure, that levies taxes upon the people. The Senate may amend it or the House of Representatives may amend it and put in an item, or such an item may be originally in it, which increases the income of the Government, but does not do it by taxation but by the fixation of an additional charge for some particular thing. I think the distinction is perfectly clear.

Mr. CARAWAY. Of course, I may be wrong, and perhaps I am usually wrong, but if we can simply say that certain moneys raised for certain purposes do not constitute a tax, but merely a charge for services, I do not know why the Senate may not invade every province of raising revenue. Can it be maintained that the constitutional inhibition is avoided by saying that the inspection of the goods is the thing for which import duties are charged, or that the money is to be paid out in a certain way or for a certain kind of service? I heard the chairman of the committee who had this matter in charge say, in answer to a question from the Senator from North Carolina [Mr. SIMMONS], that they had not adjusted the charges to the revenue and that they did not know whether or not the rates proposed ought to be charged in order to raise the required amount of money by this means.

Mr. REED of Missouri. Well, Mr. President, one might—

Mr. MOSES. And may I complete my answer by saying to the Senator from Arkansas [Mr. CARAWAY] that the money was also to be raised for a specific purpose, to pay expenses for certain services rendered.

Mr. CARAWAY. But that is merely an assertion. There is not anything in the bill that makes the particular money which is raised pay the post-office employees. Those employees are being paid out of the general revenue, and this money goes into the general revenue. The money is not taken from the man who buys a postage stamp and handed over to a postal clerk to pay his salary.

Mr. MOSES. That will be found in the title of the bill, I will say to the Senator from Arkansas.

Mr. REED of Missouri. Mr. President, the poverty of our language is responsible for many differences of opinion. We, in common parlance, use the term "revenue" to cover any source of income, but when we come to consider this constitutional question, the Supreme Court has said, at least by implication, that the language of the Constitution refers to taxes and strictly to taxes. Now, while taxes create revenues, all revenues are not taxes. In this instance we have a charge for a service which produces an income which we commonly call a revenue, but it is not a tax; it is an exaction of a price for a particular service, and, if it were a tax, then it would have to be levied in quite a different way than it is.

Mr. OVERMAN. What is a tax in the opinion of the Senator?

Mr. REED of Missouri. A tax is a burden levied by law for governmental purposes upon all the people or upon particular classes of people, and is clearly distinguishable from a charge made for a service. Although a charge made for a service and although a tax may be commonly designated as revenue, the fact is that a charge for a service is not a tax. I do not care to argue it.

Mr. OVERMAN. Is not such a charge a burden on the man who pays it?

Mr. REED of Missouri. Yes; but all burdens are not taxes.

Mr. OVERMAN. And not all taxes are burdens.

Mr. REED of Missouri. In this instance it is not a burden.

Mr. OVERMAN. It is a burden.

Mr. REED of Missouri. I absolutely say that it is not a burden; it is a great benefaction conferred by the Government for a very small charge; it is not a burden placed on the people.

Mr. OVERMAN. It increases his tax.

Mr. REED of Missouri. No; it does not increase his tax; it increases his capacity in life, his ability to move.

Mr. CARAWAY. Mr. President, if the Senator will pardon me, it is designed to do exactly the other thing. It is designed to make the man who receives the service but who lives farthest from the point where it is rendered pay the most for it.

Mr. REED of Missouri. He gets a greater service.

Mr. CARAWAY. Does he get a greater service? A man living in Missouri subscribes for a newspaper and pays one price while a man living in Montana pays another, but they both get the same paper. Now, who gets the greater service?

Mr. REED of Missouri. Mr. President, we would not get anywhere discussing a side issue of that kind, but, if it were true, it would not make any difference as to this constitutional point. As a matter of fact, however, and in theory of law the

man who prints the newspaper and who wants to ship it clear across the continent has to pay more to ship it across the continent than to ship it a short distance.

I do not care to haggle about it. I simply rose to say that when I cast my vote against this point of order I do so reluctantly, but I will not vote contrary to my judgment on an important matter of this kind, even though some little technical advantage might be gained by it, and, of course, I give to every other Senator the full right to his judgment and opinion.

#### THE FRENCH DEBT

Mr. BORAH. Mr. President, the press dispatches from Paris this morning carry the account of a speech made in the Chamber of Deputies by Louis Marin on the subject of the French debt. The speech is so exceptional that it is difficult to pass it by without some observations. It seems to express the view not only of the distinguished speaker, but the view of the Chamber of Deputies, and I presume, in a large measure, the view of the French people. In this press dispatch I find the following:

By its applause to-day the Chamber of Deputies indicated its attitude in favor of binding the French Government to undertake no settlement of war debts except on a basis which takes into account all the circumstances in which those debts were contracted.

Repeatedly throughout the morning and afternoon cheers and applause came from all sides of the house, nationalists and socialists alike giving their approval to the words of Louis Marin, former minister of the Poincaré administration, as he laid before his hearers a five-hour plea that the cost of the war to France in life and property and her service to the world in holding up the German onslaught till the Allies were ready to share the burden should be set off against the cash value of what was borrowed while serving in a common cause.

Some of the sentences taken from the speech and reported in quotation marks are as follows:

Are lives and limbs lost on the battle field of less value than money loaned?

Are the terms of the peace treaty insisted on by America and never ratified not worth some compensation?

Again:

"While war still raged statesmen in every country appealed in the common cause," he said. "Some gave their ships, some munitions, some the lives of their sons, some money, and to-day only those who gave money come, saying to us, 'Give back what we loaned.'"

Further along in the speech it is said:

France is not alone among the debtor nations of the world. There are half a score of others waiting her lead and her effort to show the world that gold is not the only thing that counts. \* \* \*

If in this world the power of gold has so much influence on the policy of nations, then farewell to justice and farewell to the power of conscience and the high influence of the great heart of humanity.

I presume, Mr. President, that these quotations fairly represent the views of the speaker. They have the same tendency, and I presume the same purpose, as have characterized so many statements emanating from leading French authorities and from the French press, and also, at an earlier period in this matter, from eminent English authorities and from the English press, to the effect that the United States is assuming the attitude of an exacting creditor. Almost every term of reproach indicating that attitude has been at some time or other used by those in authority, or by the press seemingly speaking for those in authority. We are charged to some extent with playing the rôle of a Shylock, exacting the last cent or the last pound of flesh. It is particularly to that phase of the controversy that I wish to address my remarks to-day.

I have no desire to enter into an acrimonious debate with anyone concerning this matter; but there is another side to this controversy which, if heretofore presented, has not lately been considered in connection with this question.

The United States is not in the attitude of an exacting creditor, and has displayed none of the qualities, none of the vices of an exacting creditor. On the other hand, I undertake to say that the proposition submitted to the British Government and by the British Government accepted, and upon which rule, as I understand, the United States stands ready to settle all other debts, is the most generous proposition for the settlement of international debts that can be found anywhere in the history of international affairs. It is exceptional in its liberality and should call for expressions of gratitude rather than illy concealed and persistent terms of reproach.

Let us take as a text the settlement of the British debt and see to what extent these imputations are justified. Figures



will tell the story much better than generalizations of language; and as we study these figures we will find that if there has been any disregard anywhere, it has been a disregard of the taxpayers of the United States and not of our associates in the war. This debt is due, as a matter of fact, to the American taxpayer. He is the party who raised the money, who brought forward the means by which to carry on the war. He is now carrying the burden which resulted from that, and when we examine and analyze the figures in these settlements we will find that we have been exceedingly generous with our associates in the war and somewhat harsh and disregarding in our attitude toward the American taxpayer.

The British debt was \$4,600,000,000 at the time the settlement took place. At that time it bore interest at the rate of 5 per cent—an interest rate which was fixed without criticism and without objection, and which, at the time it was fixed, was supposed to be reasonably fair. Had we been assuming the attitude which is now assigned to us we could have very well maintained that we were entitled to a fulfillment of the contract. A settlement upon the basis of the contract as it was written, a settlement upon the basis of the contract as it now exists with France, would have, in the English matter, in a 62-year settlement, amounted to \$14,214,900,000; but the amount which will be paid under the English settlement according to the contract of settlement is \$11,105,965,000. In other words, upon the face of the contract as it was written there was a voluntary surrender of the stupendous sum of \$3,008,935,000.

Owing, however, to the fact that the Liberty bonds were issued at a different rate of interest, the United States very willingly and, I think, very fairly and very justly waived the terms of the contract and undertook to proceed to a settlement more nearly in accordance with the burden which the American taxpayer was compelled to carry. Taking the Liberty bonds at 4½ per cent—which they were then bearing and which a number of them now are bearing—the British taxpayer pays, on the entire settlement, in interest \$6,505,965,000. The American taxpayer, upon the same proportionate indebtedness, at the rate he is now paying, will pay \$8,172,665,000. These are the facts. In other words, Mr. President, after having waived the contract, we still give them an advantage in interest under the contract by which the American taxpayer is bound of the difference between \$6,505,965,000 and \$8,172,665,000.

To illustrate further, in 1923 the British paid in principal \$23,000,000, in interest \$138,000,000; total, \$161,000,000. The American taxpayer, leaving out the principal entirely, paid in interest alone \$195,500,000, or in excess of the principal and interest combined of the British taxpayer some \$34,500,000. It is these first years, these exacting, burdensome years, which count most in this situation; and the heaviest burden is now placed upon our own taxpayers to a very marked degree. Strictly speaking, sir, we had no right to thus discriminate against our own people, but we did so, and for which we are charged with meanness and narrowness in our relations with our associates in the war.

In 1924 the British paid \$23,000,000 in principal and \$137,310,000 in interest, making a total of \$160,310,000. The American taxpayer paid in interest alone in that year \$194,522,500, or \$34,212,500 in excess of what the British paid both in principal and interest.

To state it in another way, the British taxpayer goes down in his pocket for the settlement of the debt which they owe us, which they not only contracted but contracted at their own solicitation, and according to their own terms, for \$11,105,965,000 in order to settle \$4,600,000,000 of debt; while the American taxpayer must raise in the way of taxes, in order to settle the same amount of indebtedness which he is carrying, \$12,772,665,000. So it clearly appears that, even upon the basis of the contract which was made with the American taxpayer in order to raise the money to meet this situation, he is paying in excess of the British taxpayer \$1,666,700,000.

Mr. President, that proposition, as I understand, would be willingly extended to France, and to all other nations which are indebted to the United States.

If this stood alone, as the only item in the results growing out of the war, it would not be, perhaps, so striking. But it is constantly argued that in settling these debts we must take into consideration, as Mr. Marin says, all the facts and circumstances, all the conditions and sacrifices of the war, and, I presume, all the gains and advantages of the war. Taking these into consideration, let us look for a moment at some of the other items of advantage which flowed to England, and later, as we shall show, to France.

It will be remembered that during the war some four or five great nations met and in secret treaties literally divided the less

thickly settled and more helpless parts of the earth. Never was there such a division of territory and of spoils as characterized those settlements designated and controlled by the secret treaties. If it be said, as has been said, that these territories are a burden rather than an advantage, I recall the fact that perhaps the most persistent and most determined fight which Woodrow Wilson made at Versailles was to loosen the grip of these nations which they had by reason of the secret treaties; but with all the power he could exert and influence which he could command he was unable to separate them from that which they regarded theirs and of tremendous value. I have sometimes wondered why those who have occasion to deliver eulogies upon Mr. Wilson never refer to what I think was one of the most remarkable exhibitions of courage, the most exemplary sense of justice in the whole Versailles controversy.

Let me call your attention to what was said by the English at the close of the war as to what they had gained in the war. We claimed no territory; we claimed no natural resources; we exploited and claimed the right to exploit no people; we claimed no indemnity.

Lord Curzon said immediately after the close of the war:

Great Britain has gained in this war all and indeed more than she set out to win. Our navy remains at the end of the war intact and unassailed. The principle of the freedom of the seas, which is the basis of our national existence, stands unimpaired and unimpugned. The British protectorate over Egypt is provided for in one of the clauses of the treaty, and our new possessions are made safe under our command.

If you undertook to measure the value of the territory acquired by the British Government, the value of the natural resources, the advantage by reason of destroying her only great naval competitor and the only great marine competitor in the world, there would be no means by which to calculate its worth.

Colonel Hilder said in the House of Commons:

The outstanding feature of the peace treaty is that it puts the British Empire at the highest point that it has ever reached in regard to territorial and world influence. Largely by force of circumstances and the leading part which our navy and army took in either the breaking down or destroying of the enemy we have been left with far greater territory and power than at any other period in the history of our race.

Mr. President, if you leave out Persia, England has received as the result of the war at least 1,607,053 square miles of territory, occupied by 35,000,000 people, and enriched in some particulars by the most valuable natural resources in the world.

If you take the States of Washington, Oregon, California, Idaho, Nevada, Arizona, Utah, Montana, Wyoming, Colorado, New Mexico, Texas, Oklahoma, and Kansas, you will still have less in area of territory than Great Britain acquired as the result of the Great War. I am not at all envious of that fact and I am not at all concerned about it, except when we come to discuss the question of the attitude of the United States in the settlement of the international obligation which grew out of the war. But if we are to consider all the facts and circumstances which entered into the question of the settlement, it is perfectly legitimate and, indeed, most justifiable that we call attention to these facts.

Mr. President, the English debt is settled. While there has been criticism of it in England on the ground that it was exacting we may consider it as settled, and no one, in my judgment, will successfully contend that under all the circumstances it was settled upon a harsh or exacting basis.

The French war debt now in principal and interest amounts to about \$4,000,000,000. No part of the principal has been paid, and no interest has been paid at any time. If we should settle with France upon the basis upon which we settled with England, we would cancel by that settlement nearly 50 cents on the dollar of all that France originally owed us. Unless it is a question of absolute rejection of the debt entirely; unless it is proposed to create such a condition of public mind and such an opinion in regard to the matter that it can be—I hesitate to use the harsh term "repudiation"—unless it can be acquitted, I will say, upon the part of the United States, I can not understand how any other terms than those which have been offered could be expected. If France asks for better terms than the British terms, she is finessing for cancellation. Her arguments are the arguments of cancellation; her logic, if such it can be called, is the logic of repudiation. The fact is that we are face to face with the proposition of whether we shall urge the payment of any part of this debt, and France is face to face with the proposition of whether she will pay any part of this debt, and no one can read the French press or the debate which took place yesterday in the Chamber of Deputies without con-



cluding that that is now the issue, whether any part of it is to be settled, whether any part of it is to be paid. Of course, the great French people can repudiate their obligation in that way, but if they choose to do so the truth of history ought to carry the actual facts in regard to the debt and the conditions and circumstances surrounding the desired settlement. If she repudiates her debt, she must do so with both sides of the controversy thoroughly stated.

Now, turn to French territory acquired as a result of the war. France acquired as a result of the war a total territory of 402,392 square miles, inhabited by about 4,000,000 people. That only indicates very partially the value of the acquisition. Portions of it are tremendously rich in oil and other natural resources.

Mr. McCORMICK. Mr. President, does the Senator include Morocco in that estimate?

Mr. BORAH. I did not include Morocco.

Mr. McCORMICK. I think the Senator might just as well include Morocco.

Mr. BORAH. Perhaps so, but there was a claim of the French in Morocco prior to the war; so I eliminate that, though I think we might well include it.

France received, by virtue of the Versailles treaty, the coal beds of the Saar Valley. The value of those coal beds has been estimated all the way from \$150,000,000 to \$500,000,000. I do not suppose there is any way by which an accurate estimate of their real value can be made. That they are of almost incalculable value there can be no doubt.

France also received back Alsace-Lorraine. Let us assume she was entitled to it. She did not have it; she got it as a result of the war. She got it back and enjoys it by reason of American soldiers and American money. The richness of that piece of territory almost beggars description. It is one of the richest regions of the earth in natural resources, and has now been restored to France.

In addition to that, Mr. President, according to the American Institute of Economics, Germany has already paid in cash and kind \$6,500,000,000, France receiving her proportion. It has been estimated, Mr. President, that the acquisitions of the British have a value of fifty billion; that of the French thirty billion.

I said a moment ago, in this vast wealth, in these great acquisitions, the American people did not share and do not desire to share. Now, if you put the wealth of these acquisitions upon one side and the debt which the French owe to the people of the United States on the other, you will find that France has been tremendously advantaged after all the sacrifices which were referred to by the speaker upon yesterday have been calculated.

It may be thought unjust by some to say that we are now discussing the question of absolute repudiation, but in view of the fact that for five years there has been no offer of settlement, no payment of principal, and no payment of interest; in view of the further fact that no specific proposition for settlement has ever been made, that apparently it is not intended that any shall be made, as the press of France and as the speakers upon behalf of those people now indicate, I assume that that is the real problem before us.

There have been some strange arguments advanced from time to time in regard to this French debt. We are not only advised by the French people, but we are advised by a certain class of our own people that we ought to forgive the French debt because the French practically forgave the debt which we incurred in France during the American Revolution. As a matter of fact, Mr. President, the United States paid in full the debt incurred at that time. I have upon my desk a statement of the facts and the figures, furnished me by the Treasury Department, where the records are, disclosing a full settlement, and the payment of a higher rate of interest than we are now proposing. I shall ask permission to insert this in the RECORD without taking time to read it.

The PRESIDING OFFICER (Mr. McNARY in the chair). Is there objection? There is no objection.

Mr. BORAH. I read a paragraph from Bolles Financial History of the United States:

The first money advanced to the colonies was through Beaumarchais on June 10, 1776. The amount was 1,000,000 livres. This amount was advanced secretly and for the purpose of purchasing munitions. But as a matter of fact, owing to a scandal which arose, it is doubtful if any of the munitions were ever delivered.

I now read a paragraph from Bayley's History of National Loans:

By an act of Congress, April 18, 1806, \$78,886.26 was paid to the heirs of Beaumarchais, and under the convention with the King of

the French of July 4, 1831, 800,000 francs were also paid to the heirs of Beaumarchais, making an over payment of 1,426,787 livres.

The whole amount received from France during the War of the Revolution in the way of loans and subsidies was \$8,167,500.

I shall insert the balance of the facts touching these loans at the close of my remarks.

Mr. BRUCE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Maryland?

Mr. BORAH. I yield.

Mr. BRUCE. The Senator is aware, of course, that France made some very large gifts to the people of the United States during the War of the Revolution?

Mr. BORAH. I have not been able to find a record of them.

Mr. BRUCE. The Senator will find a record of them among the letters of Benjamin Franklin. In one of his famous letters he acknowledged the fact that France made these gifts and expressed the hope that the gratitude of the United States because of them would be eternal.

Mr. BORAH. Mr. Franklin, with whose history the Senator from Maryland is so familiar and concerning whom he has written so illuminatingly, was referring, I presume, to what was called the gift by Beaumarchais, but that was afterwards settled, after Mr. Franklin had passed to the region from whose bourne no traveler returns.

Mr. BRUCE. If the Senator will allow me, I was not referring to that at all.

Mr. BORAH. To what was the Senator referring?

Mr. BRUCE. I was not referring to any part of the loans made by the French Government to the United States through the agency of the house of Hortalez & Co., of which Beaumarchais was the directing genius.

Mr. BORAH. Will the Senator state to what specific gift he has reference?

Mr. BRUCE. Franklin records the fact that on one occasion he applied to the French minister for a loan of 6,000,000 livres, only to be told by the French minister that the French Government was not willing to make a loan of that amount, but was willing to make a gift of that amount, which was duly made.

Mr. BORAH. That took place, as the Senator must know, because at the time Franklin applied for that loan the French Government was not willing to risk its chances with the American Colonies, and they never did take the risk until after the Battle of Saratoga. Therefore they transmitted this loan—this gift, if the Senator prefers to call it such, which afterwards transformed itself into a loan—through certain individuals from whom Franklin got it. One of them was Beaumarchais. But that afterwards came in and was adjusted and settled, just the same as the other obligations were settled. If there was any gift of which there has been no settlement, after the most industrious effort I have been unable to find a record of it, and the Treasury Department has been unable to find any record of it, and in my opinion history does not record it.

Mr. BRUCE. I want to state to the Senator from Idaho that in the letter to which I referred Franklin said the gifts amounted to twelve millions of livres.

Mr. CARAWAY. If I remember correctly, we have been giving almost daily to them large sums to restore the devastated areas in France, have we not?

Mr. BORAH. Yes, indeed.

Mr. CARAWAY. Many hundreds of millions of dollars.

Mr. BRUCE. The point I was making is that it does seem to me those gifts should be taken into due account. I am firmly of the belief, as is the Senator from Idaho, that France should pay her indebtedness to us, and that she has no extraordinary claim of any kind on our generosity in the principal respect; but I do think when we come to settle with France that we, as a grateful people, might take into account the generous treatment she showed us, because everybody knows that France was not actuated simply by considerations of selfish policy in connection with the loans and gifts she made to us.

She was, of course, partly influenced by selfish policy, because of the peculiar relation she sustained at that time to Great Britain. On the other hand, she was influenced by a feeling of generous enthusiasm in rendering to us the aid she did. She was on the eve of the French Revolution, the most tremendous outburst of uncalculating enthusiasm the world ever knew. She had been infected by the example of our long struggle for liberty. She shared all our own generous aspirations for freedom. Anyone familiar with the history of France at that time can not well doubt that what influenced most the minds of the French people in forming an alliance with us was their love of liberty; that they were anxious to secure for



themselves the same freedom that we were struggling to secure, and it may well be questioned whether she would have taken any part in our contest for independence at all had not that condition prevailed.

Mr. BORAH. Mr. President, the Senator may be entirely familiar with the life of Franklin, but he is certainly at war with the record of facts in regard to the reasons why France went into the American Revolution. I am going to read just a paragraph from Woodrow Wilson's History of the United States:

The Congress at Philadelphia explicitly commanded its commissioners to be guided by the wishes of the French court. Doctor Franklin, Mr. John Adams, and Mr. John Jay, who bore its commission, were men of honor, and entertained, besides, a lively sense of the very deep obligations of the United States to France for the money and the armed assistance in the field and upon the seas, without which, apparently, their victory would have been impossible. It proved impracticable, nevertheless, to act with France; for she conducted herself not as the ingenuous friend of the United States but only as the enemy of England and, as first and always, a subtle strategist for her own interest and advantage. The American commissioners would not be tricked and came to terms separately with the English.

Mr. McCORMICK. By whom was this written?

Mr. BORAH. By a former President of the United States, Mr. Woodrow Wilson.

Now let me read from an authority which was closer to the scene of action, and that is Alexander Hamilton. Alexander Hamilton in his letters, signed Pacificus, said:

A third objection to the proclamation—

The proclamation of neutrality which Washington issued when the French Revolution broke out—

is, that it is inconsistent with the gratitude due to France for the services rendered to us in our Revolution.

France, the rival, time immemorial, of Great Britain, had, in the course of the war which ended in 1763, suffered from the successful arms of the latter the severest losses and the most mortifying defeats. Britain from that moment had acquired an ascendancy in the affairs of Europe and in the commerce of the world too decided and too humiliating to be endured without extreme impatience and an eager desire of finding favorable opportunity to destroy it and to repair the breach which had been made in the national glory. The animosity of wounded pride conspired with calculations of interest to give a keen edge to that impatience and to that desire.

The American Revolution offered the occasion. It early attracted the notice of France, though with extreme circumspection. As far as countenance and aid may be presumed to have been given prior to the epoch of the acknowledgment of our independence, it will be no unkind derogation to assert that they were marked neither with liberality nor with vigor; that they wore the appearance rather of a desire to keep alive disturbances which might embarrass a rival than of a serious design to assist a revolution or a serious expectation that it could be effected.

The victories of Saratoga, the capture of an army, which went a great way toward deciding the issue of the contest, decided also the hesitations of France. They established in the Government of that country a confidence of our ability to accomplish our purpose, and, as a consequence of it, produced the treaties of alliance and commerce.

It is impossible to see in all this anything more than the conduct of a jealous competitor, embracing a most promising opportunity to repress the pride and diminish the power of a dangerous rival, by seconding a successful resistance to its authority with the object of lopping off a valuable portion of its dominions. The dismemberment of this country from Great Britain was an obvious and a very important interest of France. It can not be doubted that it was both the determining motive and an adequate compensation for the assistance afforded to us.

Mr. BRUCE. Mr. President—

The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from Idaho yield to the Senator from Maryland?

Mr. BORAH. I yield for a question.

Mr. BRUCE. I repeat the conviction I have already expressed that the motives which induced France to participate in our struggle for independence were even to a greater extent generous than they were selfish, because of the peculiar conditions that prevailed in France at that time. If that is not so, why should we perpetuate in all the manifold forms that we do the obligations of gratitude that this Nation has ever felt to Lafayette and the other Frenchmen of his time who did so much to promote our national cause? If the motives by which France was actuated were purely selfish, it seems to me that the whole trend of our relations with her since the War of

the American Revolution would have been quite different. The point I am emphasizing is that France was on the eve of her own revolution.

Mr. BORAH. Of which she knew nothing at that time.

Mr. BRUCE. Oh, yes, she did.

Mr. BORAH. She had no revolution at that time at all. She was not even expecting it. The Bourbons, as fatuous and confident as ever, knew nothing of the volcano at their feet.

Mr. BRUCE. The blood of the French Revolution was stirring in her veins just as the sap in the limb of a tree stirs in the springtime.

Mr. BORAH. At the time those loans were made those who were inspiring and directing and organizing the revolution were not the people who had the say as to the loans. Does the Senator think that the Bourbons of France had any profound sympathy with the revolution in America, which revolution afterwards, to a marked degree, fed the fires of the French Revolution?

Mr. BRUCE. No, I do not.

Mr. BORAH. I did not think so.

Mr. BRUCE. I say that the French King and the French minister were opposed to the participation of France in our struggle for independence, but that the desire of the people of France that the Government of France should participate was too strong for the French King and the French minister.

Mr. BORAH. Yes; the French people had a great voice in affairs in France at that time.

Mr. BRUCE. They did. Their stirrings were sufficient in a few years to overwhelm the whole existing system of French government. They had not at that time, of course, obtained the mouthpieces, so to speak, of political action that they shortly afterwards obtained, but they were in a position to spread throughout the whole of French society the contagious passion for liberty that hurried France into our revolution. Does the Senator believe that Lafayette, the young man who left the side of his bride to come to this country, was actuated by anything in the world but impulses of knightly and chivalrous sympathy with our people?

Mr. BORAH. Mr. President, if the Senator wants to occupy my time I will yield the floor.

Mr. BRUCE. I do not at all. I do not want to interrupt the Senator for one second longer than he is willing I should interrupt him.

Mr. BORAH. Of course I yield for a question at any time; but I think it fair to the man who has the floor that he be given a part of the time.

The Senator has just referred to the young man who left his bride and came to America enthusiastic in the cause of liberty.

Mr. BRUCE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Maryland?

Mr. BRUCE. Surely the Senator is not going to cut me off abruptly.

The PRESIDENT pro tempore. The Senator from Maryland can not interrupt the Senator from Idaho unless he consents.

Mr. BORAH. I will not consent until I have at least finished my sentence.

Mr. BRUCE. But some of the Senator's sentences are so long that it is hard to say when they will end.

Mr. BORAH. Long or short, I trust the Senator will be patient. I may have misunderstood the Senator about the young man leaving his bride, but he certainly said he left his country in behalf of this country. He did. All honor to Lafayette. He was a brave, generous, and daring spirit. But Lafayette had to steal away. The French Government tried to arrest him while he was going. He had undertaken to fit out a ship. He was deprived of the opportunity of taking it, and stole away like a criminal from the French Government, which was so deeply in sympathy with America!

Mr. BRUCE. May I interrupt the Senator?

Mr. BORAH. In just a moment. Not only that, but the time came when the Congress of the United States compensated Lafayette. I have upon my desk now the statute which we enacted paying him for his services and deeding to him a large tract of land. The United States met every obligation, and she did not plead at that time, as it is pleaded now, that the war was fought upon her territory, and therefore we should not pay the debt. She did not plead that France came into the war late, after the Battle of Saratoga, and therefore we should not pay the debt. She did not plead that it was a common fight for liberty, and therefore we should not pay the debt. The battle was fought upon American soil. American

homes were destroyed. For seven years they ravaged American territory. We did not plead that in settling the debt.

It is for this reason that I call attention to these facts. We have been told month after month that the war was fought in France; that as we got into the war late, that as we were fighting for a common cause, and therefore the debt should not be paid. All those incidents transpired in the American Revolution, but America did not plead them as an offset for the debt.

Mr. BRUCE. Mr. President, I do not understand whether the Senator gives me permission to interrupt or not.

Mr. BORAH. I yield for a question.

Mr. BRUCE. What I was going to say I could hardly put in the form of an interrogatory.

Mr. BORAH. I will ask the Senator from Maryland if he can not put his interruption in the form of a question to wait until I conclude.

Mr. BRUCE. I was perfectly satisfied with the position of the Senator from Idaho if he was not willing to be interrupted, but when the Senator proceeded to traverse statements that I had made I supposed that he meant to indicate, of course, that the resolution on his part not to be interrupted was not inflexible; but what I say—

Mr. BORAH. Mr. President, if the Senator will ask a question I shall undertake to answer it, but I do not want the Senator to put incorrect history into my speech. [Laughter.]

Mr. BRUCE. Well—

The PRESIDENT pro tempore. The Senator from Idaho declines to yield.

Mr. BRUCE. Well, I am glad—

The PRESIDENT pro tempore. The Senator from Maryland is out of order.

Mr. BORAH. I decline to yield, except for a question.

Mr. President, the Senator from Maryland seems to deplore the fact that there is not a sufficient manifestation of gratitude upon the part of America for what France did in the American Revolution. There is a sense of gratitude for the simple reason that whatever the motives were upon the part of France, whatever selfish interests may have actuated her in the stand which she took, her action did result in benefit to the United States, but the United States did not plead any interest on the part of France as an offset for the debt that she had incurred. She paid every dollar of it.

Before I leave this subject as to why France took part in the American Revolution may I read a paragraph or two from the celebrated historian, John Fiske, in his fascinating story of the American struggle for independence. He says:

In France the interest in American affairs grew rapidly (this was after the Battles of Trenton and Princeton). Louis XVI had no love for Americans or for rebels, but revenge for the awful disasters of 1758 and 1759 was dear to the French heart. France felt toward England then as she feels toward Germany now. And so long ago as the time of the stamp act, Baron Kalb had been sent on a secret mission to America to find out how the people regarded the British Government.

Again the same author says:

The British ambassador had already begun to protest against the violation of neutrality involved in the departure of privateers, and France was not willing to run the risk of open war with England until it should become clear that the Americans should prove efficient allies.

Again the author says:

It was no part of the French policy to take an active share in the struggle until the proper moment should come for reaping some decisive material advantage. At the beginning of the year 1778 that moment seemed to have arrived, the capture of Burgoyne and the masterly strategy which Washington had shown in spite of his ill success on the field had furnished convincing proof that the American alliance was worth having. At the same time the announcement that Lord North was about to bring in conciliatory measures indicated that the British Government was weakening in its purpose. \* \* \* Just now, too, Frederick the Great publicly opened the port of Dantzic to American cruisers and prohibited the Hessian soldiers from passing through his dominions to the seaboard, while he wrote to Franklin at Paris that he should probably follow the King of France in recognizing the independence of the United States.

Then there came a time, Mr. President, when the reason for France entering the American Revolution was evidenced in a more signal way than the ways in which I have mentioned, and that was the time after the American Revolution had been won and American independence was an issue and when the question of setting up a new Republic upon the western continent was the problem before the American people. Read the his-

tory of international affairs during the time of which the late Woodrow Wilson speaks in his history when every ingenuity which could be exercised was put forward for the purpose of preventing the independence of the American Colonists. I am going to ask, Mr. President, to insert in the RECORD some excerpts from the history of foreign affairs written by Johnson.

Mr. JONES of Washington. I suggest to the Senator that he read them.

Mr. BORAH. Very well, at page 165, after speaking of the encouragement which had been given to America in a secret way by Vergennes about 1775, Mr. Johnson says:

The French Government, however, made no move toward aiding the Colonies in the struggle which it had encouraged them to begin. Louis XVI had no inclination to do so. Neither principle nor sentiment impelled him to help the Americans.

At page 67, after quoting from Bon Volouir, who wrote from America about 1776 in regard to the situation, the author says (p. 67):

It would be difficult to conceive any policy more selfish, cold-blooded, and cynical. The proposition in effect that France should play the part of Iago. We can perceive in it not one trace of sympathy for the American struggle for liberty and not a hint of a desire for the welfare of the Colonies.

Mr. Johnson further states:

It can not be too strongly emphasized, however, that in so doing and in whatever aid was given to this country, there was no real love for America or for American causes (p. 69).

Then the attempt of France to deprive America of the fruits of her victory is recorded in this language:

The French Government, through Girard, attempted a still more mischievous stroke. It sought to persuade Congress to forego all demand for recognition of American independence by Great Britain and to be content with a French guaranty of independence (p. 109).

France undertook to thwart the efforts of the Americans to make treaties with Holland and also with Spain. Speaking of the arrival of Adams at The Hague and the strong desire of the Hollanders to make a treaty with America, the author says:

This would probably have been done without delay had it not been for the malign influence of France (p. 117).

Again, at page 123, he says:

France and Spain persisted in holding aloof in trying to make mischief, France especially striving to the last to fetter her nominal ally to the utmost of her ability (p. 123).

Mr. President, those quotations are only interesting at this time to stay, if possible, the continued criticism that the United States is ungrateful and is assuming the attitude of an ingrate in not forgiving this debt because of the services of France in the American Revolution. France joined with America in that contest, but she joined with America because it was to her interest to do so. France loaned America money because it was to her interest to do so. Together they won the fight. France joined us after the Battle of Saratoga; she joined us after it was known or believed that America would win; she made her loan and her alliance after that fact. She loaned the money. We paid it and we paid it all. There were no gifts in the nature of loans, in my opinion, which were not taken care of before the final adjustment of the obligation.

Mr. DILL. Mr. President, will the Senator from Idaho yield to me?

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Washington?

Mr. BORAH. I yield for a question.

Mr. DILL. Does the Senator from Idaho find no evidence of the forgiving of certain interest on that loan when the settlement was made in 1782?

Mr. BORAH. No; I find no evidence of it; but I would not dispute the fact that the interest might have been reduced, because the record is so indefinite about that.

Mr. DILL. A number of authors have stated that the interest was reduced.

Mr. BORAH. Mr. President, I have here and shall put into the RECORD a statement of the Treasury Department showing the amounts borrowed, the settlements, the interest paid, and so forth. I have also an account of the transactions by Bolles and other financial historians, and those I shall insert in the RECORD. I think they bear out everything that I have stated.

I am aware, Mr. President, that there is nothing involved in this controversy other than, as said by Mr. Marin yesterday, a financial obligation, so far as the United States is concerned.



It was an obligation, however, which was incurred at the instance and request of other countries and an obligation which we called upon the American taxpayer to take care of. When we come to consider everything which enters into the transaction, the sacrifices made during the war, the material advantages growing out of the war to France and England, instead of the United States being an exacting creditor the United States has been exceedingly generous. We might just as well have claimed a vast portion of the oil fields had it been in accordance with our policy to have done so as for France and England to have claimed them; we might just as well have claimed a portion of the other natural resources; but all those things were waived; they were put aside; they were left to be distributed and divided between the other powers. That being true, certainly settlement of the financial obligation incurred to help France and due to the American taxpayer may be called for without our country being constantly placed in the position which they are seeking to place us at this time.

Mr. REED of Missouri. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Missouri?

Mr. BORAH. I do.

Mr. REED of Missouri. I was unavoidably called from the Chamber and the Senator may have mentioned what I am about to suggest, but I did not hear him refer to the greatest benefit which France received, and that was her life as a nation.

Mr. BORAH. That is quite true.

Mr. REED of Missouri. For everyone familiar with the facts knows that the French were facing inevitable destruction—and they have substantially so admitted—when the American Army was thrown into the conflict. When they are estimating benefits, they might take into account how much it is worth to France still to be a great and independent country.

Mr. BORAH. That is quite correct. Now, a single sentence in conclusion. We are entitled to a specific proposition of settlement from France. And France is in honor bound to make it.

Mr. President, I want to submit as part of my remarks the memorandum from the Treasury and an article on interallied debts by Mr. Bernard M. Baruch, and also an article upon the international debts by Mr. Gary, president of the United States Steel Corporation.

The PRESIDENT pro tempore. Without objection, the memorandum and articles will be printed in the RECORD.

The articles are as follows:

#### APPENDIX I

##### MEMORANDUM OF LOANS MADE BY FRANCE TO THE UNITED STATES DURING AND IMMEDIATELY FOLLOWING THE REVOLUTIONARY WAR

France made four loans to the United States during and immediately following the Revolution, all of which were negotiated by the Continental Congress. The details of these loans are as follows:

Date	Loan	When due	Amount in dollars	Interest rate
1777	1,000,000 livres from Farmers General of France under authority of resolution Dec. 23, 1776.	Indefinite	181,500	P. ct. 5
1778	18,000,000 livres from French Government under authority resolution Dec. 3, 1777.	12 annual installments from the third year after conclusion of peace.	3,267,000	5
1781-1782	10,000,000 livres from French Government under authority resolution Oct. 26, 1779.	10 annual installments from Nov. 5, 1787.	1,815,000	4
1783	6,000,000 livres from French Government under authority resolution Sept. 14, 1782.	6 annual installments from Jan. 1, 1785.	1,089,000	5
Total			6,352,500	

Due to the condition of the finances of the new Government, interest payments on these loans, as well as the installments on the principal, were not always made promptly, but the account, both principal and interest, was ultimately settled in full. All amounts still unpaid in 1795 were converted into domestic stock bearing interest at 4½ and 5½ per cent per annum. Oliver Wolcott, jr., the Secretary of the Treasury at the time, said that " \* \* \* by this operation the debt as due under former contracts to the Republic of France may be considered as discharged." The details pertaining to repayments on the principal and refunding operations of the various loans are as follows:

Date	Loan	Repayments	Merged into 5½ per cent stock	Merged into 4½ per cent stock	Total
1778-79	First loan	\$27,811.11			\$27,811.11
1791	Second loan	644,500.00			644,500.00
1792	do.	1,089,000.00			1,089,000.00
	Third loan	726,000.00			726,000.00
1793	Second loan	272,250.00			272,250.00
	Third loan	544,500.00			544,500.00
1794	Second loan	329,100.00			329,100.00
	Third loan	186,983.96			186,983.96
1795	First loan	153,688.89			153,688.89
	Second loan	272,250.00	\$759,900.00		1,032,150.00
	Third loan	181,516.04		\$176,000.00	377,516.04
	Fourth loan		1,089,000.00		1,089,000.00
Total		4,327,600.00	1,848,900.00	176,000.00	6,352,500.00

<sup>1</sup> In tobacco.

There is attached a photostat copy of a statement prepared by the Register of the United States Treasury, dated April 28, 1800 (American State Papers, Finance, vol. 1, p. 671), which shows the French debt at the beginning of the Government and its ultimate extinguishment, both principal and interest. Thus of the total amount of \$6,352,500 borrowed, the sum of \$4,327,600 was repaid by 1795, and the balance, or \$2,024,900, was refunded into 4½ per cent and 5½ per cent domestic stock. The 4½ per cent stock was all repaid in due course between 1807-8, while the final payment was made on the 5½ per cent stock in 1815.

In addition to the loans described above there were certain aids and subsidies granted by the French King to the American Colonies. In these subsidies Spain participated to the extent of 1,000,000 livres. The amounts of these subsidies are as follows:

	Livres.
In 1776, from France	2,000,000
In 1776, from Spain	1,000,000
In 1777, from France	2,000,000
In 1781, from France	6,000,000

Total (equal to \$1,996,500) 11,000,000

Thus the gifts from France amounted to \$1,815,000.

The first subsidy from France of 2,000,000 livres and the subsidy of 1,000,000 from Spain were handled by M. Caron de Beaumarchais, who carried on his work under the guise of a Spanish trading company by the name of Roderique Hortales & Co. The others were negotiated through Benjamin Franklin.\* So far as the Treasury has been able to determine the facts, there was never any misunderstanding over the gratuities granted by the French King to the United States through Benjamin Franklin, in amount 8,000,000 livres. The adjustment of 1795 seems conclusive in this respect. Moreover, the mutual claims of France and the United States have been the subject of several treaties between the parties, but no reference is found to any supposed debt to France originating in the support given by France to the United States in the Revolutionary War. The earliest of these treaties was the one of September 30, 1800, followed by that of April 30, 1803, ceding Louisiana to the United States.

A dispute, however, arose between Beaumarchais and Congress over the claims of the former. He made large shipments of munitions and supplies to this country for the use of the Revolutionary Army aggregating over 6,000,000 livres, according to Bayley's history of national loans of the United States. These were afterwards the subject of claims presented by Beaumarchais and his heirs. Settlement was finally made in 1835 by the payment of 810,000 livres to his heirs. Mr. Bayley made a careful investigation of the claims of Beaumarchais against the United States, and in stating the account in the volume referred to shows an overpayment by the United States of 1,426,787 livres (about \$250,000).

#### APPENDIX II

##### CHAPTER XX. INTERALLIED DEBTS

(By Bernard M. Baruch, chairman of the War Industries Board, member of the Supreme Economic Council, economic adviser for the American Peace Commission, American delegate on economic and reparation clauses, author of Making of the Economic and Reparations Sections of the Peace Treaty.)

Wars are fought on the land, on the water, in the air, and behind the front where the civilian forces labor. It is not enough to mobilize a nation's military strength; there must be a mobilization of its full economic resources, industrial, agricultural, and financial. These must be organized, coordinated, and directed with the same strategy that governs the operations of the purely military arms of the service. The World War involved not only all of the man power, but the material resources of the participating nations. So it was soon found necessary for the stronger financial nations on each side to support the weaker nations with financial resources, goods, and services, as well as with man power. The natural theory was that each nation should finance,



as in times of peace, its own necessities; but it soon became evident that requirements from outside sources could not be obtained in the usual manner (i. e., offering bonds or like securities on the domestic and foreign markets) because of the deranged condition of exchanges; and so funds for governments had to be obtained through loans of one government to another. Thus arose the interallied debts.

#### AMOUNTS ADVANCED

England and France were called upon early in the war to supply money for the less wealthy allies. Most of this money was spent in the creditor countries. When America entered the war it was found necessary to relieve the already overstrained credit, not alone of the participants who had already borrowed money from England and France but of England and France themselves. So loans from America were negotiated to the amount of \$9,842,468,566.82. Later there were added obligations for sales of surplus war materials, for relief, and for flour, bringing the total to \$10,578,509,342, which together with interest made a total at the end of 1923 of \$11,800,010,245. There was no thought when made that these loans would be treated differently from any other loans.

As a rule, the lending nations aided their allies in two different ways. For the articles which were purchased by their allies within the creditor countries' boundaries they loaned money; for the things the lending nations purchased in the debtor countries they had to pay cash. Most of the creditor countries also sent their soldiers to the debtor territory, and not only supported them while there with munitions and food from home but paid for such munitions, food, and transportation necessary for their troops as were obtainable in the debtor countries. Thus the United States not only loaned England and France money but in addition spent hundreds of millions of dollars in those countries for material, equipment, and transportation. The other countries, when making purchases in the United States, used money they had borrowed from the United States. The United States paid cash.

Because of inability or unwillingness, the only understanding reached on interallied debts has been an agreement to fund the British debt to the United States. It was the general understanding that Belgium's indebtedness to the Allies and to America was to be paid from the German reparation.

#### DOES PAYMENT DEPEND ON REPARATIONS

This whole subject of the interallied debts, other than those between Great Britain and the United States, was in January, 1924, held up pending the settlement of the reparation problem. France, followed by Italy, practically said to the other nations that unless Germany pays certain sums of money it can not or will not pay its indebtedness to other nations. M. Poincaré, in his note to Lord Curzon of August, 1923, said that until France should receive 26 billions of gold marks from Germany and in addition the cancellation of its indebtedness to England and America, or the acceptance by its creditor nations of the German "C" bonds (generally considered of doubtful value), the reparation matter could not be settled. Whereas it is perfectly true that the more Germany pays to the Allies the more they will have out of which to pay their debts, this self-evident truth has no relation to the inherent ability of the Allies to pay their outstanding obligations. The Franco-Italian position, ignoring this economic truth, seems simply equivalent to saying that until their chief debtor pays them they (the French and Italians) will not (not can not) pay their creditors. See Poincaré note to Curzon, as follows: "While recognizing our debt, while not even thinking of leaving it unpaid, we are forced to say that we can only pay after having received what Germany owes us. We shall demand from the latter, in addition to our 26 milliards of 'A' and 'B' bonds, what is demanded from ourselves."

The point is often raised that if Germany's debt is scaled, why should not the debt of the Allies one to another be scaled? There would be some force in that argument if one urges that Germany be let off for less than she is able to pay or that the recipients of the reparations be more lenient to Germany than the facts warrant. If Germany's ability to pay out of her own resources is fixed at, roughly, a capital sum of \$10,000,000,000, the taxpayers of America will want to know why France out of her resources can not pay what she owes America.

If the quid pro quo for the cancellation of interallied debts should be the cancellation of that portion of the German reparation liability which can not be paid and is therefore worthless, then those creditor nations which cancel their debts are in effect paying German reparations. That would be a bad precedent to set—to make some of the victorious nations pay to some of their associates an indemnity for the nation they had conquered.

[From an address by Judge Elbert H. Gary, chairman of the United States Steel Corporation, in New York City on November 30, 1923]

There is at present a strenuous agitation in favor of cancelling or reducing the debts of foreign countries to the United States. From the viewpoint of the United States and also many foreign countries

who borrowed money at a time when it was very much needed, with unconditional promises to pay, the proposition would appear to be irrational and preposterous. To the ordinary American mind, it is unthinkable. The debtors should have an abundance of time to pay their obligations and a reasonable rate of interest, but that they should desire to repudiate an honest national debt is beyond the comprehension of Americans, to say the least. When the Government which precipitated the terrible World War announced that it considered a solemn international agreement, which it had previously entered into, as only a "scrap of paper" the whole world was startled. It was believed at first the one who made the statement did not accurately represent the attitude of his country, and when it was found he did, most nations, including those who are now indebted to the United States for borrowed money, denounced the statement as an outrage and placed the nation who stood for the repudiation of an honest agreement as in disgrace and without the pale of civilization.

With much greater reason, when a nation relying upon the friendship of another nation borrows money for immediate needs for a definite time upon an absolute, unconditional promise to pay, there is reason to question the bona fides or even the sanity of those who propose repudiation. Most of us remember clearly what took place and what was said during the war by those who borrowed money; how urgent they were, how profuse in promises, how grateful for accommodations; and it is difficult to believe there is a change in sentiment. \* \* \*

According to the published reports it has lately been said by one of the foreign leaders in governmental matters, referring to war debts, that the war was fought by and for all the countries participating, for their joint benefit and safety. Even though this may be a complete, fair, and accurate statement, which is not admitted, it may be urged in answer that as far as we were concerned we paid all of our own expenses and furnished our own men, and that they served efficiently and with great credit to themselves.

It has been asserted by certain foreign nations that they are willing to pay their debts when their debtors pay them and not before. Did any one ever before hear such a condition insisted upon by any self-respecting, solvent individual, or nation? Does any one of these foreign nations, through its courts, allow individual debtors to other individuals to postpone payment until these debtors have collected their claims against third parties? What would a foreign court say to such a defense to a suit brought upon a note given for borrowed money? \* \* \*

If our United States Congress should vote in favor of any reduction in the principal of the foreign debts, whether as an intended act of generosity or otherwise, it would receive no genuine response of gratitude from the debtor and, on the contrary, it would be charged by a majority, at least, of the people of this country with attempting to contribute the moneys of others for motives that are not commendable. We do not ask Congressmen to be economical with their own money but with ours it is different, notwithstanding we do not believe in false economy nor object to true and real generosity. \* \* \* If the foreign debts to this country were canceled or reduced except by consent of at least a majority of the Americans, it would be outrageous, for it would be a mere transfer of the burden from one nation to another whose people are already carrying a very heavy load.

We in this country desire the friendship of every other country and may be depended upon to do everything just and reasonable to maintain the cordial and friendly relationship with all of them; but when it comes to the point of being generous beyond the limit of obligations we must reserve to ourselves the decision as to what is appropriate; and in the consideration of all such matters we should not forget that charity begins at home and that the necessities and comforts of our own people are not to be overlooked nor neglected. True generosity regards always of highest importance actual obligations to our own dependents. This is good doctrine for all of us as individuals and for our lawmakers as official administrators as well.

[From United States Statutes at Large, vol. 6, p. 320 (18th Cong., 2d sess.)]

#### STATUTE II

##### CHAPTER II. AN ACT CONCERNING GENERAL LAFAYETTE

*Be it enacted, etc.,* That, in consideration of the services and sacrifices of General Lafayette, in the War of the Revolution, the Secretary of the Treasury be, and he is hereby, authorized to pay to him the sum of \$200,000 out of any money in the Treasury not otherwise appropriated.

*SEC. 2. And be it further enacted,* That there be granted to the said General Lafayette and his heirs one township of land, to be laid out and located under the authority of the President, in any of the unappropriated lands of the United States.

Approved December 28, 1824.



## ISLE OF PINES TREATY

Mr. McCORMICK. Mr. President, since the Senator from Idaho [Mr. BORAH] has addressed the Senate upon a question long pending and still unsettled between France and the United States and other debtors to the Government of the United States, I venture to ask him if he will not join in requesting that, by unanimous consent, we fix a day to vote upon the so-called Isle of Pines treaty, in order that that long-unsettled question may be determined in one way or another?

Mr. BORAH. Mr. President, I can well understand on this afternoon of generosity, when we are called upon to meet the issue of forgiving \$4,600,000,000 of indebtedness to France, why the Senator from Illinois is so anxious also to give away the Isle of Pines.

Mr. McCORMICK. The Senator from Idaho does not charge me with being one of those—

Mr. BORAH. I will say to the Senator that the debate on the Isle of Pines has just begun, and there is no way to ascertain how long it will legitimately continue. I will ask for a vote just as soon as I think the debate is drawing anything like near to a close; but there are Senators, both those who favor the treaty and those who are against it, who are seriously desirous of discussing it, and I would not want to undertake to agree at this time that we should vote on a day certain, for in that case they might not be able to discuss it.

Mr. McCORMICK. Would it seem that a week from today would be too far off?

Mr. BORAH. Yes; it would seem so.

Mr. McCORMICK. I venture to suggest to the Senator two weeks from to-day.

Mr. BORAH. Of course, I have no idea what will come before the Senate in the meantime.

Mr. HEFLIN. I will object now to any time being fixed.

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Alabama?

Mr. McCORMICK. I yield gladly to my friend from Alabama.

Mr. HEFLIN. I thought it might save time, Mr. President, if I should say that I am not ready now to agree for any time to be fixed to vote on the Isle of Pines treaty.

Mr. McCORMICK. Am I to apprehend, then, Mr. President, that the treaty will be rendered insensible by novocaine and kept in that condition pending the reassembling of the Senate next December?

Mr. BORAH. If I understand the Senator correctly, that may be the situation; I can not tell; but, Mr. President, candidly and seriously, we can not agree upon a time for a vote at this time. If everything else were out of the way so that the time might be ours, we could agree, perhaps, in two or three days, but I am not going to agree until I know that the right of way is cleared, because there still remains a great deal to be said about the Isle of Pines treaty.

I should like to accommodate the Senator from Illinois, but I join with the Senator from Alabama in saying that we can not agree at this time.

Mr. HEFLIN. Mr. President, if the Senator from Illinois will permit me—

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Alabama?

Mr. McCORMICK. I do.

Mr. HEFLIN. I want to ask the Senator from Illinois how long this treaty has been pending.

Mr. McCORMICK. It has been pending some 20 years. It has been in suspense four times as long as the determination of the settlement of the debts due the Government of the United States by the European governments.

Mr. President, I do not urge Senators who are opposed to this treaty after a study of the record, the history, the facts, and the law to vote for the treaty. I only venture to urge that we are under a moral obligation to ratify or to reject this treaty, precisely as I regard the debtor governments under obligation to negotiate honorable settlements for the payment of their debts to the Government of the United States.

The question of the Isle of Pines is not altogether a simple question, as I ventured to say when I addressed the Senate before. If it were there would be no division of opinion among us; but we have access to the records, beginning with the declaration by a resolution of Congress requiring Spain to evacuate the Island of Cuba, until the submission of the treaties of 1903; and any Senator with those records before him may study the question and form an opinion.

I recognize that the advocates of the treaty are confronted by the most formidable adversary on the floor of the Senate

in the person of the Senator from Idaho [Mr. BORAH]. I recognize that he is animated by profound conviction in the position which he has taken. I assume that he will base his case upon constitutional grounds, but I think it ought to be possible for us to agree at this time to vote within a fortnight; and at a later period during the day, if the occasion presents itself, I shall offer, for unanimous agreement, a proposal to that end.

## ADDRESS BY JUDGE FLORENCE ALLEN

Mr. RANDELL. Mr. President, as the mind of the Senate seems to be directed to matters relating to war or growing out of war, I wish to have its attention for just a moment.

On the 18th instant, at the Belasco Theater in this city, the National Conference on the Cause and Cure of War was opened. One of the speakers was Judge Florence Allen, of the Supreme Court of Ohio, who held her large audience spell-bound for 30 minutes. Her plea for "the outlawry of war," for a new slogan, "The State shall do no wrong," for world peace by teaching mankind "law, not war" was one of the most eloquent and convincing speeches I ever heard. I ask that it may be printed in the RECORD as part of my remarks, and I commend its careful study to all lovers of peace.

Mr. MOSES. Mr. President, I am a lover of peace, but I shall have to ask that the manuscript be sent to the Committee on Printing under the rule.

Mr. RANDELL. I hope the Senator will not insist on that, for I do not want to consume the time of the Senate by reading it; but it is a very eloquent and beautiful speech, and I shall be compelled to stand in my place and read it if the Senator objects.

Mr. McCORMICK. I object.

Mr. RANDELL. I have the floor, and I shall certainly keep it and read this wonderful address.

Mr. MOSES. I am sure that the lady's eloquence would be greatly refined by the utterances of the Senator, and I want him to read it.

Mr. RANDELL. Not at all. It is the most beautiful speech I have heard in many, many years, and I have even heard the Senator from New Hampshire.

The PRESIDENT pro tempore. Objection is made.

Mr. RANDELL. I shall take the time to read it. I have the floor.

This address was made last Sunday evening, and the speaker was introduced by Mrs. Carrie Chapman Catt, who was presiding over this National Conference on the Cause and Cure of War. She said:

We women were very proud not long ago when there was elected to a State supreme court for the first time in the history of the world an American woman. We are very proud of that woman as a lawyer and a judge, but I may say on behalf of all of us that there is no woman who is a better speaker on the subject of peace. It is therefore a double pleasure and honor to present to you Judge Florence Allen, of the Supreme Court of Ohio. [Applause.]

Mr. SWANSON. Mr. President, I renew the unanimous-consent request that Judge Allen's speech be printed in the RECORD without reading.

Mr. RANDELL. As a part of my remarks?

Mr. SWANSON. I ask unanimous consent that the address may be printed in the RECORD.

Mr. RANDELL. I should be very glad to have that done, provided all the Senators will agree to read it. This speech of Judge Allen's is only 30 minutes long.

Mr. MOSES and Mr. McCORMICK addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Louisiana yield?

Mr. RANDELL. I yield for a question.

Mr. KING. I think the address is such an admirable one that we ought to hear it.

Mr. RANDELL proceeded to read the speech, and was interrupted by—

Mr. SIMMONS. Mr. President—

Mr. RANDELL. Does the Senator wish to ask a question?

Mr. SIMMONS. I wanted to make an appeal to the Senator from Illinois.

Mr. RANDELL. He does not seem to heed appeals.

The PRESIDENT pro tempore. Does the Senator from New Hampshire withdraw his objection?

Mr. MOSES. I can not, Mr. President.

Mr. SIMMONS. I hope the Senator from Illinois will withdraw his objection.

Mr. RANDELL. I will proceed, and I hope I shall not be interrupted. I have a wonderfully eloquent oration here.

Mr. RANDELL resumed the reading of the speech, and was interrupted by—



Mr. HEFLIN. Mr. President, I think the Senator from New Hampshire ought to permit this speech to be printed in the RECORD.

Mr. KING. I think we ought to have it read.

Mr. RANDELL. I am going to read it.

Mr. RANDELL resumed the reading of the speech, and was interrupted by—

Mr. SWANSON. Mr. President, I ask unanimous consent that the rest of the speech may be printed as a part of the remarks of the Senator from Louisiana, without reading.

The PRESIDENT pro tempore. Is there objection?

Mr. JONES of Washington. Mr. President, is this an address prepared by the Senator himself?

Mr. SWANSON. No; it is what he wishes to have included as a part of his remarks. We have done that repeatedly.

Mr. JONES of Washington. Was it made by somebody else?

Mr. SWANSON. By somebody else.

Mr. JONES of Washington. Then I have no objection to that. I want to suggest, however, that the Senator from New Hampshire has just left the floor.

Mr. ASHURST. He has withdrawn his objection.

Mr. FLETCHER. There is no rule against the request of the Senator from Louisiana. There is no rule of the Senate forbidding it. It is a perfectly proper request just to have it inserted.

Mr. RANDELL. I want to say, before taking my seat, that I have made a request here which has been granted time and time again in the past; and any Senator—there were several present—who heard that truly remarkable address of Judge Allen, would agree with me that there has never been a more eloquent address delivered in this city, or in the United States, sir, on the most important question we have before the world to-day—peace. This great association of women, or associations of women—for there are many of them, sir—are in this city for the purpose of trying to carry peace throughout the world. They are doing the best they can toward that end. They had a great meeting in the Belasco Theater last Sunday evening. I do not think there was a vacant seat and I never heard such eloquence pour from a human being's lips as poured from the lips of this lady. I ask all Senators to read what she said, and I am really ashamed of the objection that has been made to putting this speech in the RECORD. We put all sorts of things in the RECORD, but we insert in it very few things which have half the value to mankind and to the United States that this speech has.

If there is no objection, now, I do not care to read the balance of the speech.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Virginia?

Mr. MOSES. What was the request?

The PRESIDENT pro tempore. The request is that this address be printed in the RECORD.

Mr. SWANSON. My request was that the residue of the speech should be printed as a part of the Senator's remarks.

Mr. MOSES. And the Senator from Louisiana takes full paternity for it in the Senate?

Mr. SWANSON. He asked that it be printed as a part of his remarks, for what it was worth.

Mr. MOSES. I wish to make my position perfectly clear. I am the chairman of the Committee on Printing and I am charged with a certain guardianship of the RECORD. I have objected constantly, when I have been on the floor, to the insertion of extraneous matter in the RECORD. I do not want a speech delivered by anybody, unless it is a Senator, going into the RECORD without having the scrutiny of the committee which is charged with that duty. I meant no discourtesy to the Senator from Louisiana. I simply wanted the committee to have a chance to read the speech which he wished to have inserted in the RECORD.

If the Senator from Louisiana, by inserting it as a part of his remarks, assumes paternity for it here on the floor, of course I have no objection.

Mr. RANDELL. Mr. President, I am surprised that the chairman of the Committee on Printing would make any such statement as that when he knows that it is the common practice of Senators to have editorials and articles of various kinds printed as a part of their remarks. I have done it, and other Senators have done it. They do it without reading, and they do it without becoming personally responsible for everything in the articles inserted. I do not know that there is anything I object to in this speech. I heard it, and I heard it with approval and applause. I believe in the general principles enunciated in the speech, but I can not permit the Senator who is the chairman of the Committee on Printing, of which committee I have the honor of being a member, to try to establish

some new principle here, that a Senator must be responsible for and assume the responsibility of everything he asks to have inserted in the RECORD. We have never had any such rule in the Senate, and we can not have any such rule with my consent.

Mr. MOSES. That certainly ought to be the principle, Mr. President. No Senator should put into the RECORD something which he does not indorse.

Mr. RANDELL. The speech goes in, as I understand, as a part of my remarks?

The PRESIDENT pro tempore. The Chair has heard no objection, and the address will be printed in the RECORD.

The entire speech referred to is as follows:

Judge FLORENCE ALLEN. Members of the participating organizations and friends, I have been wishing this afternoon while I listened to the splendid expositions by the distinguished military officers, I have been wishing that I had the force and eloquence to take advantage of this opportunity. I have before me, delegates from such groups, delegates from the American Association of University Women, those women who have had the training that a hundred years ago was denied the women the world over; delegates from the Council of Women for Home Missions and the Federation of Women's Boards of Foreign Missions of North America, the women who believe that the ethics and philosophy of Christ ought to be put into practice in our daily life. [Applause.] The General Federation of Women's Clubs, that splendid group which links together so many organizations with such a vast field of cultural and civic activity; the National Board of the Young Women's Christian Associations which beneficently directs the activity of the young womanhood of the entire Nation; the National Council of Jewish Women, with such a heritage of law-making behind them that they well may be proud and we may well be proud to have them affiliated with us in this gathering; the National League of Women Voters, a league which has in its membership many men in this country, a league which believes that every vote shall be intelligently cast and every woman and thereby every man shall be made an intelligent voter [applause]; the National Woman's Christian Temperance Union, that fighting group which first said that the evil of the open saloon must go in America; and last but not least, the National Women's Trade Union League, the group of women who do work with their hands so well competing with labor in the open market that they force the world to give them an honest living. [Applause.]

When we think of the ramifications of these organizations, their territorial extent, the numbers which they represent, can we underestimate the power which resides in this particular group? And, more than that, it is significant that this is a group of women, not because the war problem is primarily a woman's problem; women suffer hideously in war and so do men; every boy who lost his life in the World War had the greatest human right denied him. We find these truths to be self-evident—that all men are endowed by their Creator with certain inalienable rights, rights that can not be taken away, rights that can not be given away—a right to life, liberty, and the pursuit of happiness. [Applause.]

And we are here as a group to declare a new declaration of independence, to say that henceforth we will be independent of the curse of war; that we hereby demand that the tyranny of the most colossal evils that the world has ever seen shall cease, and, my friends, it is significant that this is a woman's gathering, because while men suffer with women in war, and while men work magnanimously with women to do away with war, as the presence of these distinguished speakers evidence, the fact does remain that woman's task is very peculiar with regard to the abolition of war. We have to teach the human race that ethical standards can be set up to maintain between nations, as well as between individuals [applause], women have to teach—women have to teach the coming generations that the rules of right and wrong can be applied to every group; that there is no situation in which the law of justice can not and does not function if applied. Women have to teach the coming race that this thing is not impossible; that law can be substituted for the use of armed forces in the settlement of international difficulties, and in the long run, my friends, over and above and behind and underneath all of the plans which will be urged here for the cures of war, and I undoubtedly am in accord with all of them, the fact remains with you and the women of the world who believe that this evil can and must be abolished, have to go out to change the convictions of men's minds that war is legal and sanctioned and necessary, and that is primarily a task for women.

And then, too, women have another peculiar responsibility in this matter, because they have within them that thing which Kidd calls the power of developing the emotion of the ideal, that power of looking far off into the dim distance, looking far off into the future, that power of working for something which they see not, something which they only hope and dream will come to pass. Thousands and thousands of women in this country joined the ranks of those who demanded that liberty should be given to the women, as well as to



men, and died before we ever had the vote. That kind of spirit within women for reaching out over the long years which comes, perhaps, partly from our physical nature and partly from the long, sad training of the ages which has compelled us to achieve a masterly self-control. [Applause.] That power makes it possible for us to sacrifice and renounce and work for something which will not immediately be accomplished, and, of course, my friends, in spite of advances which have been made in our lifetime in the peace movement, you and I know that it will be a long, hard progress, and that there will be years and centuries which will go by before the peace fabric will finally reach the completion which you and I hope for it.

Now, this emotion of the ideal present in women makes us perhaps see with a certain clearness certain fundamental facts, because we are looking forward to the attainment of the final consummation, we look forward to a great thing, we look forward to the abolition of war, disease, and nothing less, and because of that perhaps we see more clearly certain practical aspects in the situation, and we wonder, as women, how it comes that government spends so little money and such little effort for making peace, and so much money and so much effort for making war, and we say to ourselves that if centuries ago the finest minds of the Nation had been gathered together to argue peace, instead of to keep war machinery well oiled, that perhaps by now the peace fabric would have been built, and we say to ourselves that if in 1500 A. D. the great energies of the races had been poured into substituting law for war that the World War would never have been fought. [Applause.] And then we say, too, that we demand substantial steps toward peace. We care very little just how it is done in detail or in the mass. Women are not very particular as to who does it; they are not particular as to who gets the honor of the great achievement. They are not particular as to the brand or name by which the thing is called, but women want war branded and made disreputable; they want its use made criminal; they want the sanction taken away from war, and they want orderly, peaceful processes of enactment and adjudication substituted for war. They want, in a word, law, not war. [Applause.]

And just because we have within ourselves this great power, this power which is essential toward carrying causes as colossal even as this, we confront particular dangers. It has been said here in America since the women got the vote that we ought to be used mainly as a channel for engendering enthusiasm. [Laughter.] And, my friends, creating enthusiasm is worthy for certain objects, but let us by all means scrutinize the object. Let not these groups, let not these fine groups act as cheer leaders in a game in which they do nothing but the cheering.

And we face other pitfalls. I shall speak particularly of one this afternoon. It is a correlative danger. We face the danger of thinking that we can act to help to do away with war without actual knowledge, and we face the correlative danger of thinking that we can be of no use in eliminating war unless we are experts. I shall first speak of the need of actual knowledge. We must not emotionalize every step we take; every measure we demand must be based upon our knowledge of actual facts, and let me illustrate very simply with regard to the subject which is to be considered by you in this conference. I speak of the codification of international law. Now, there are some people who think that the codification of international law would have great weight in doing away with war because they think that if law could be gathered together governing the conduct of nations, then we would have laid the groundwork for orderly adjudication of international disputes, and, my friends, if codify means to enact, then I agree that the codification of international law is very necessary; but codification in its usual sense, in the sense in which lawyers use it, does not mean to enact law. It means to make a compilation, to make an orderly, systematic assemblage of laws already existing, and, my friends, there is practically no international law existing enforced by the courts with regard to the conduct of nations. Take the latest case books on international law—Scott or Stowell or Munro—and look through those textbooks in which courts have enforced international law, and you will look in vain for any case which has held any nation guilty of the crime of making deliberate, premeditated, aggressive war. You will look in vain for any case which finds any nation guilty of stealing, or guilty of extortion, and I, perhaps, see the need of these more than some other people because of my legal experience, because I have presided in a number of murder trials, and sometimes I ask myself how, if when I was in the trial court where these cases were tried, how I ever could have impaneled a jury, or how the jury could have convicted the person, or how the person could have been sentenced by the court if there had been no law making murder a crime. And I want to explain here very simply what to me the phrase—outlawry of war—means. It does not mean that the enactment of law making war a crime will of itself prevent war. I am one of those people who believe in securing peace by all means, and I do not by any means pin my faith to one method only; but, my friends, how can we enforce a law before we declare the law? The first step in law enforcement is the declaration of the law. And, perhaps, I might put it simply in an illustration like this: Suppose that

your child did something that you did not like, and you wanted to stop his doing it; suppose that Johnnie tells a lie; do you say to him: "Johnnie, all fine little boys tell lies, but you know I, myself, I personally do not like to have you do it, so please do not do it in the future." Is that what you say? Or suppose that Mary takes a piece of pie right out of the pie that is saved for the family supper. I used to do that when I was a child; I still want to. Do you say to her: "Mary, all little girls with spunk and initiative go to the pantry and take the thing that was saved for the family, but just for my sake I wish you would not do that in the future." Is that what you say? Of course not. You say to Johnnie: "All straight, upstanding little boys are honest and truthful; they do not tell lies, and I want my boy to be honest and truthful." And you say to Mary: "It is selfish to take the things that were for the whole family; it is selfish and I do not want my little girl to be selfish," and you lay down a moral basis upon which you begin to enforce that moral law. And, my friends, again I repeat, I am not one of those who believe that the mere enactment of law, making the making of war a crime, would, of itself, stop war; but I am at a loss to understand how the World Court or The Hague Court or any tribunal which is constituted can brand the making of war as illegal and disreputable so long as we recognize and tolerate and sanction the making of war. [Applause.] In other words, what the world needs in addition to machinery for enforcement, in addition to the World Court, in addition to some kind of permanent, continuously operating international organization which must exist, the world needs to declare moral law as applicable between the nations. The world needs to lay down a Ten Commandments between the nations: "Thou shalt not war; thou shalt not steal; thou shalt not oppress." [Applause.]

And by whom can this law be laid down? It can be laid down by treaty; it can be laid down by conference; it can be laid down by the League of Nations. A beginning has been made in the protocol at Geneva, with its declaration of the outlawry of war. A beginning has been made in the resolution pending in the Senate for the abolishing of war. These declarations have not been accepted; they are a very important start.

The other law must follow, the law making crimes existing between nations just as those crimes existing between individuals. Suppose, for instance, you were to cut out of the law of New York State, or Ohio, or California, the laws making murder and arson, rape, and burglary crimes, the whole bottom would have dropped out of your moral fabric; you would have lost the very basis upon which all law is built. The first step in law enforcement is to declare the law. And now this law could be declared by the league court or the World Court, if they could lay down the law. My friends, what I am about to say to you I want you in no sense to construe as a criticism upon arbitration or as opposition to entering the World Court. I wish the world would employ arbitration to its utmost possible limit. I believe in adhering to the league court, but I want very distinctly to bring out to you the thing I am trying to say. A court lays down law in quite a simple way. It has a given case before it, and upon the facts of that case it enunciates legal and moral principles. When another case based upon the same kind of facts comes before the court, the court applies the legal and moral principle laid down in the first case to the second case exactly as if that law had been passed by the legislature.

Let me illustrate by a case which we are familiar with in Ohio. We had what we called the East Cleveland Municipal Suffrage case before we got the vote. The city of East Cleveland had a home-ruler charter and it gave the women the vote, and we went to the Supreme Court of Ohio, and the supreme court said that a home-rule city in Ohio could give women the right to vote, and the women of East Cleveland could vote. Shortly after that the women of Columbus got the charter commission to give them a vote on that charter, and the charter was submitted to the electors and carried. Now, if the Supreme Court of Ohio had not been able to lay down law the women of Columbus would have had to go up again to the supreme court and see whether they had a right to vote, but the supreme court said in the first case: "A charter city has the right to give women the power to vote." And so the women of Columbus did not have to try their case because law was made by the supreme court in laying down legal and moral principles in the first place.

Now, in an arbitration moral principle is not laid down, and arbitration simply decides the case. It decides who wins, but not who is right or wrong. The league court is bound by this provision in the statute, article 59 of the statute which creates the court states as follows: "The decision of the court has no binding force except between the parties and in respect of that particular case."

And so, my friends, the league court can not lay down law. I believe in adhering to the league court because it can interpret law; because it can adjudicate cases which come within its jurisdiction, but we shall have to have law, not codified but enacted, declaring the primary crimes between nations before we can properly go forward to enforce that law, and sometimes when I think of the task which has been demanded, the thing that we have asked of the World



Court, and The Hague Court, and the League of Nations to ask them to prevent war, when up to this time in history the whole so-called Christian world, the whole civilized world tolerated and sanctioned war, it seems to me that we have been asking an impossible thing, because the sanction must be taken away from war before we can enforce provisions against war.

And now, the women of this country demand that this be done; they demand that war shall no longer be sanctioned; they demand that the use of war as a means of settling international disputes be abolished; they demand that other methods of settling international controversies be adopted, and some people say this is impossible. Why, my friends, human history shows that this is the next step in our social development.

There was such a thing as war between individuals. There was private warfare between individuals; that private warfare has been abolished. There was warfare to determine legal questions. Men used to go out and fight to determine the titles of land in what was called the "wager of battle." That has been abolished, and the duel, which clung so long and so persistently—that has gone with the advance of civilization. Shall we say that men, men who swim beneath the sea in boats and who climb the sky in airplanes, are incapable of applying to themselves in groups the same law which they applied to themselves as individuals.

Now, I want just a second before I close to speak to you of the other dangers which we face—that is, the danger that we shall think we know too little to assist in solving this problem—and I was interested to read the other day in an interview or a statement of a speech made by a distinguished officer for whom I have the highest personal regard. I was interested to see that he said that pacifism in the United States was rampant because of the women's insatiable desire to mix in things which they did not understand. And he said that we did not understand that, because war is a question of mathematics and science [laughter], and, of course, I do not know whether this distinguished officer said what is ascribed to him, but the fact does remain that that view exists, and I grant that science goes into the making of war. I could not calculate the trigonometric formulas which are said to be necessary to the direction of the shots from one of our great modern guns; I think very few men could. [Laughter.] Science, of course, governs all of the law of chemical specifications; science governs military tactics; science must always come into play when war is made; but the question of keeping out of war, the question of maintaining peace, and the question of establishing peace is not a question of science and mathematics; it is a question of establishing moral principles between the nations as law, enforceable as law, and that is a thing which is not a question of the parabola or the momentum or velocity of a gunshot.

And then, on the other hand, there are some people who think we can not help to establish peace because there is so much to know about the peace question. And, my friends, there is a great deal to know; there is a great deal to know about the Dawes plan; there is a great deal to know about the whole question; and if we are to understand everything with regard to the workings of the League of Nations, everything with regard to the treaty relations in the Senate, everything with regard to the World Court, and everything with regard to the workings of the Pan-American Union, we shall have to have some expert knowledge; we should have very much more expert knowledge than we have; and I go so far as to say that no woman's club or organization in this country ought to go further without having one member, a committee of one, to read the substantial proceedings of the League of Nations' documents, to keep in touch with things that are going on in the Senate, to be posted upon our relations, particularly with South America and Central America and the Caribbean, and report back to her own club. But, after all, the great basic policies which underlie the making of peace are not difficult of comprehension. Any ordinarily intelligent person can understand them, and I will even say that never until in this country the ordinary person, the nonexpert voter, is taken into the confidence of the peace expert, never until that time can America take her place among the leaders in the peace movement of the world. [Applause.]

I remember there was a great meeting held once at the Masonic Hall in Cleveland at which Mrs. Catt spoke. Will Irwin had told us what would happen to the world in the next world war; that war would be directed against the whole civilian population; how the advance of chemical warfare would make the next war something undreamed of, and Mrs. Catt had some scholarly address to make, and instead of making it she threw down her manuscript and came down into the center of the stage and called upon the women of the United States to unwar, and that call we are still hearing. I suppose I have quoted one hundred times something which she said that night. We don't always have Mrs. Catt with us in Ohio, so we have to quote her. She said: "The women in this room can do this thing; the women in this room can do this thing." And when she said that she said something truer than she knew, because she had seen just such a movement grow from a meeting in a little room; she had seen the woman's suffrage movement start when women had no training,

no education, no money, nothing but the inherent rightness of their cause; she had seen it sweep over the whole civilized world in her lifetime. The women in this room can do this thing; the women in this room can do anything which is right and just, my friends.

Think of the colossal absurdity that we should have lived to this year of our Lord, 1925, and the slogan for nations during all this time until very recently has been, "The State can do no wrong." We have to change that slogan; we have to write new law; we have to say, "The State shall do no wrong." [Applause.] And that thing can be done for America by the women in this room, and I grant you that we have great odds against us; we have great interests and great powers against us; we have something, on the other hand, to inspire us because the boys, you know, went out and they met six times their number in the great day of the first advance, six times their number of the crack troops of Europe, sent them reeling back in their tracks; and of course they fought for a number of things, but they fought principally because they thought that that war would end war. If we have any conception of their sacrifice, we will never let that standard fall; we will make this war the war which did end war, and all over the world the great forces of human affection are working with us. Sometimes I get very, very upset over the international situation in that it is particularly my situation, and it oppresses me, but I heard something this summer which I intend to keep before me as a symbol of the hope we have. I know a girl who did war work in Italy and France and Germany, and has all the decorations that it is possible to have, and this summer she visited all of her little villages and she personally investigated and knew that this thing happened. At Mont Faucant, in France, which was so shelled that it seems nothing but a remnant was left of the town when the armistice was signed, a man came and knocked at the door of a little cottage, and a woman came to the door, and he asked if she was the woman of the house and spoke French, but it was a queer kind of French, and she said, "Yes, she was," and he said, "Perhaps, you won't want to talk to me because I am a German," and she said, "Go on, monsieur." He said, "I had a son who was killed in the war; he was killed here very near and he was buried somewhere near here, and I came over this morning as early as I could to hunt for his grave, and I could not find it; I thought perhaps I could find some cottage where I could stay all night and go on in the search, but probably you won't want me to stay because I am German." She said, "Monsieur, I had a son who was killed in the war, and he was killed fighting for France in self-defense; your son was killed fighting under orders, and I suppose he was killed doing what he thought was right; shall any one say that as between a father who lost his son in battle and a mother who lost her son in battle that there is a gap that can not be bridged? Come in, monsieur, and stay this night." I do not know how many of us could rise to that height; but, my friends, the great forces of human affection, the great love of fathers and mothers for their children the world over are fighting this battle. The women in this room can do this thing; they can do it because it is everlastingly, eternally right. There is no situation in the world in which the rules of right and wrong can not function. There is no group in the world to which the laws of right should not apply, and you and I have to study this problem in this conference and go out to teach the ranks that we will have law, not war. [Applause.]

The CHAIRMAN. The meeting will close with the singing of "America," Mrs. Wheeler leading.

#### POSTAL SALARIES AND POSTAL RATES

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3674) reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes.

Mr. SWANSON. Mr. President, I ask for the yeas and nays on my point of order.

The yeas and nays were ordered.

Mr. ASHURST. Let the question be stated.

Mr. STERLING. I suggest the absence of a quorum.

Mr. ASHURST. I have asked that the question be stated, Mr. President.

The PRESIDENT pro tempore. The Senator from South Dakota has suggested the absence of a quorum, and the question will be stated after a quorum is developed. The Secretary will call the roll.

The principal legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Bursum	Curtis	Frazier
Ball	Butler	Dale	Gooding
Bayard	Cameron	Dial	Hale
Bingham	Capper	Dill	Harrell
Borah	Caraway	Edwards	Harris
Brookhart	Copeland	Ferris	Harrison
Broussard	Couzens	Fess	Heflin
Bruce	Cummins	Fletcher	Howell



Johnson, Calif.	Metcalf	Reed, Mo.	Sterling
Jones, Wash.	Moses	Sheppard	Swanson
Kendrick	Neely	Shields	Underwood
Keyes	Oddie	Shipstead	Wadsworth
King	Overman	Shortridge	Walsh, Mass.
McCormick	Pepper	Simmmons	Walsh, Mont.
McKellar	Phipps	Smith	Warren
McNary	Pittman	Smoot	Watson
Mayfield	Ralston	Spencer	Wheeler
Means	Ransdell	Stanley	

The PRESIDENT pro tempore. Seventy-one Senators have answered to the roll call. There is a quorum present.

Mr. McKELLAR. Mr. President, just before we vote I want to read an extract from the syllabus in the case of *Hubbard v. Lowe*, decided by the District Court for the Southern District of New York in October, 1915, construing the cotton futures act, which decision in many of its aspects has a bearing on this case, in my opinion.

The syllabus reads, in part:

(1) The tax is upon the privilege of dealing on exchanges and not upon the business itself there transacted; but the tax is laid or not laid, not by the extent of the privilege, but by the manner of use of the privilege. That is to say, a man who makes a contract on the exchange in the form approved by the statute is not taxed; but if the same or another man makes a contract of the same value or transacts the same amount of business on the same exchange, but uses any other form of contract than that governmentally approved, he is taxed. This classification of or measure for taxation is said to be unconstitutional and to vitiate the entire statute.

(2) The United States cotton futures act is, in the language of the Constitution, "a bill for raising revenue"; but it did not originate in the House of Representatives and did originate in the Senate. It is therefore unconstitutional, because the command is imperative that "all bills for raising revenue shall originate in the House of Representatives, but the Senate may propose or concur with amendments as on other bills." (*Hubbard v. Lowe*, 226 Federal Reports p. 136.)

I have been informed that the Supreme Court of the United States has affirmed this holding, although I have not been able to find its decision.

Mr. PITTMAN. Mr. President, I listened with a great deal of interest to the argument made by the Senator from Missouri [Mr. REED], and I did so particularly because I do not believe there is another Senator whose views on the Constitution are more sound than his.

It develops that there is just one question for each Senator to determine, and that is whether or not this bill would raise revenue incidental to general legislation, or whether that portion of the bill raising revenue is entirely distinct and separate from that portion of the bill adjusting postal salaries. These two provisions could be separated. As a matter of fact, they should be in two separate bills. They have no relation to each other whatever.

I realize that many bills incidentally raise revenue. They do not come within this constitutional provision, but we could pass the first portion of this bill, and it would become the duty of Congress to provide the revenue necessary to carry it out. It is not necessary that these revenues be provided by taxing the mails. They could be raised from taxation of incomes. They could be raised from the taxation of capital or personal property.

When we come right back to the constitutional provision, and seek for the reason underlying it, we find that it is simply this, that the raising of revenue, in the very nature of things, imposes a burden upon all of the people of this country.

The framers of the Constitution realized that the people of the country were more directly represented, as individuals, by the House of Representatives than they were by the Senate of the United States.

Mr. OVERMAN. That doctrine came down also from a time prior to the revolution, from the English Parliament. The people resented the idea of anybody but their representatives laying heavy burdens upon them by way of taxation.

Mr. PITTMAN. When the Constitution was adopted, Senators were to be elected by the legislatures of the States. They were to represent States, as ambassadors, as distinguished from those representing particular groups of people in this country.

We have a right to pass any general legislation. We have a right, if we want to, to increase the prices to be paid for public lands of the United States. The revenue so raised would be perfectly incidental, because it would be essential to the interests of the United States that we fix a price to be paid in case of the sale of public land. But the Post Office Department is not supported from a fund. The Post Office Department is not supported from the sale of its services in carrying letters and newspapers. The Post Office Department is supported from the general taxation of the United States.

It is proposed that the Senate of the United States shall determine how the funds shall be raised with which to carry on the departments of this Government, including the Post Office Department. It can not be said that this applies alone to the Post Office Department, because the funds to be raised by taxation will go into the general funds of the Government to help pay the running expenses of every department of the Government. We say that a man who writes a letter shall pay so much toward this revenue, and that a man who mails a newspaper shall pay a different figure.

Mr. STERLING. Mr. President, will the Senator yield?

Mr. PITTMAN. I ask the Senator to wait just a moment until I finish this thought. We are asked here to say how revenue shall be raised that is to go into the General Treasury of the United States. If there was any purpose on earth behind this constitutional provision, it was to prevent this body from initiating such legislation as this, and to permit the representatives of the people in the House of Representatives to say when and how revenue should be raised in the first place. They have a right to say whether the revenue shall be raised at all or not. After having determined that it shall be raised they have a right, and the exclusive right, to say from what source it shall be raised.

I consider that this proposal is a subterfuge to avoid the provisions of the Constitution, and feeling that way I certainly shall not vote for it.

I yield now to the Senator from South Dakota.

Mr. STERLING. Referring to the contention made by the Senator from Nevada that because this money went into the Treasury of the United States and became a part of the general fund therefore it was a tax for raising revenue, what will the Senator do with the case of the United States against Norton, in Ninety-first United States, cited in the discussion this morning, where the money arising from the money-order system, money paid for money orders and fees for issuing money orders, was covered by the express terms of the act into the Treasury of the United States, and it was there held that the money-order system act was not an act for raising revenue although the money went into the Treasury of the United States.

Mr. PITTMAN. I can conceive of many bills that could be initiated by this body which incidentally raised revenue that would not be in violation of the Constitution. If an act is originated here for the purpose, mind you, of arriving at a just compensation for the services rendered by the United States Government in carrying mail, I do not think that it would be a revenue bill. As I said before, it must be the duty of every Senator here to determine whether or not the moneys raised are incidental or whether this is a subterfuge, as I charge it is, for the purpose of evading the constitutional provisions.

The President of the United States, who caused the introduction of the legislation, stated that if revenue were provided in some manner, if some plan for raising revenue were provided, he might look upon this in a different manner, and so the bill had its inception. The Senator who is chairman of the subcommittee, the Senator from New Hampshire [Mr. MOSES], rose and specifically answered question after question this morning, and stated he did not know whether or not the increase in the various items of mail was essential to meet the cost of that transportation, but that it was essential for the purpose of raising revenue. It is as much a revenue bill as a percentage tax would be on any character of goods in the country.

Away back in 1832 a matter came before the Senate dealing with reprisals. This body felt that it was essential to pass an act of reprisal against another country, but the question of reprisal affected the revenue legislation of the United States and what took place? It is reported in the proceedings in the Journal of the Twenty-first Congress, first session, at page 155, as follows:

A bill "to provide for the abolition of unnecessary duties, to relieve the people from sixteen millions of taxes," etc., was read the second time and was being considered in Committee of the Whole, when the Vice President [Mr. Calhoun] expressed a doubt whether it was in order to originate in the Senate a bill containing provisions of the character of those contained in the third section, as follows: "That from and after the 1st day of January, in the year 1832, a duty of 33½ per cent on the value shall be levied on all furs and raw hides imported into the United States from countries which shall not have secured the continuance of their free admission by granting equivalent advantages to the like productions of the United States."

Mind you, there was a question of reprisal. There were certain countries that were violating the reciprocity of the United States. Here was a bill introduced in the Senate for the pur-



pose of reprisal. What was the result of that situation? The Chair—

submitted the question for the decision of the Senate, when, on motion of Mr. Webster, it was ordered that the bill, "together with the question of order," be laid upon the table.

That was one of the first occasions. There was no subterfuge there. There was the deliberate intent of the Senate of the United States to enact a reprisal against certain other nations which had violated their agreements with this country.

Coming down further, what was the act of the Senate recently? A bill was introduced to place a tax on gasoline in the District of Columbia. What was the purpose of that act? There had been disputes going on between the State of Maryland and the District of Columbia for years with regard to the difference in the charges for automobile licenses in the respective municipalities. The State of Maryland was charging much more than the District was charging as a tax on cars. There is no question that the Governor of Maryland got together with the Commissioners of the District and, for the purpose of agreeing upon equality of taxation for licenses for automobiles, agreed that they would avoid the whole thing by placing a tax on gasoline.

The purpose was not to raise revenue for the District of Columbia. The purpose of the act was to settle a dispute between Maryland and the District of Columbia. The purpose of the act dealt with interstate commerce. The purpose of the act dealt with the friendly relations between the District of Columbia and Maryland. Yet when that bill came before the Senate what was the action of this body? The Senator from Delaware [Mr. BALL] explained all about the situation. He contended that it was not intended to raise revenue; that the raising of revenue was simply incidental to the main purpose; and yet on a point of order, exactly as in this case, the President pro tempore of the Senate, the same distinguished Senator who now presides over this body, followed the practice now being followed and submitted the question to the Senate to determine whether or not that character of legislation was in violation of the Constitution. The Senate held, on January 16, 1924, that it was in violation of the Constitution; that it was taking away from the representatives of the people in the House of Representatives the sole right under the Constitution to determine when revenue should be raised and how it should be raised.

It is not a question of taxation as the word "taxation" is ordinarily used. The constitutional amendment does not deal with the word "taxation." It deals with raising revenue and any legislation for the raising of revenue must originate in the House of Representatives.

I am satisfied, in my own mind, that if it were not essential to raise many millions of dollars in revenue at this time the bill would never have been brought before the Senate. I am perfectly confident that if the salary increase bill had not come up there would have been no member of the Committee on Post Offices and Post Roads who would have stated that there was any necessity for legislation of this kind increasing postal rates. The legislation for the increasing of these charges had its origin in the statement of the President of the United States that he would not consider the postal salaries increase bill until revenue was provided for to meet those increases. He may be right in that policy. It is probably right to provide for the revenue. We must raise revenue for every expense that we create by law and the Congress has invariably done that. We provided an appropriation to build a railroad in Alaska. We provided \$50,000,000 for that purpose, but we did not provide for any revenue to pay for it. We did not provide that the rates established on that railroad should be so much because it was essential to raise the revenue to meet that expense. The House of Representatives enacted a law raising the revenue and it fixed the time and the method for paying the taxes for that purpose.

The two propositions have no business together in one bill. They are not connected in any sense whatever. One of them is a legitimate act by this body to adjust the pay of laborers, and the other is an attempt to describe when and how certain revenue shall be raised. They are inside of one binding, within one paper, but they could be separated by a knife, and either act would stand alone, absolutely independent. They are not dependent upon each other. They are supplemental in no sense whatever. The legislation to raise revenue is not incidental to the main portion of the bill unless we say that every time we pass a law that will incur an expense to the Government, the raising of the revenue to meet that expense is incidental. Raising revenue is incidental whenever we pass a bill that incurs a future expense, but never before have we ever tried to take away from the House the right to determine how the

revenue should be raised to meet that expense. To my mind this is purely and simply a subterfuge. If it were essentially incidental to the legislation relating to the pay of these men I would agree with the Senator from Missouri [Mr. REED]; but it is not essential to that readjustment. It does not have to be raised out of a readjustment of postal rates. It can be taken care of in the ordinary way in which we provide for acts that require more money, and the House of Representatives has always taken care of such matters.

Mr. REED of Missouri. Mr. President, I think that most that has been said is aside from the point. It seems to me that there is a decision of the Supreme Court that settles the matter.

Repeating very briefly what I said this morning, revenue is a term that we can apply and do apply loosely to all sorts of income, but the question is in what sense the term "revenue" is used in the Constitution? Does it mean that the House of Representatives must originate every measure that in any way contributes to the income of the United States, or does it apply to taxes? That is the question. Taxes bring revenue, but, I repeat, all revenue is not the result of taxation.

It is true that back of this right to initiate revenue legislation is a long history, but what is that history? As I read it, the contest which raged in England for many years was around the proposition of the right of the Commons to initiate tax measures, strictly speaking, or whether taxes could be imposed by the King or measures of that character originate in the House of Lords. The Commons won the point, and upon that doctrine and the soundness of it there is no difference of opinion. The sole question is, "What does the Constitution mean when it confers upon the House of Representatives the sole right to originate revenue measures? Is it taxation or does it embrace all forms of income?"

Mr. President, I will ask the Senate to give its attention for just a moment to the case to which the Senator from South Dakota [Mr. STERLING] called attention. It seems to me we ought to settle the pending question and settle it right, for, let me say, it is highly important that we do settle it right. If the Senate determines here to-day, upon a vote, that when we are fixing the pay of post-office employees we can not fix the rates of charges in that bill or in any other bill which we may originate, then there is a very grave limitation imposed upon the Senate which will apply not only in this case but in a good many other cases that will follow along. So no Senator can afford to vote upon this question on the basis that he would like to have this particular question decided in a certain way.

Neither, Mr. President, are we concerned here with the question as to whether the revenue that is levied is incidental to something else. I say that, in my judgment, we could introduce a proposition here to raise the rates of postage if there were nothing said about salaries. Our right is not dependent, if we have the right, upon whether we are preparing to spend the money at the same time we are raising it. However, let me call attention to this case, and I shall not then further weary the Senate. The case was decided away back in 1875. I shall read the salient paragraphs:

Norton was indicted for the embezzlement at different times of money belonging to the money-order office in the city of New York, he being a clerk in that office when the crimes were committed.

The indictment was found on the 21st of February, 1874. He pleaded "that the several offenses did not arise, exist, or accrue within two years next before the finding of said indictment." \* \* \*

The indictment was founded upon the eleventh section of the "Act to establish a postal money-order system."

The act of April 30, 1790, provided that no person should be prosecuted unless the offense was committed within two years, but there was another act, of March 26, 1804, which provided that any person guilty of crimes arising under the revenue laws of the United States should be prosecuted within five years.

Now, the court says:

The substantial question presented for our determination is which of these two provisions applies as a bar to a prosecution for the offenses described in the indictment? The solution of this question depends upon the solution of the further question whether the "Act to establish a money-order system" is a revenue law within the meaning of the third section of the act of 1804.

The offenses charged were crimes arising under the money-order act.

And the court proceeds to discuss that act. Among other things, it provided that:

All moneys received from the sale of money orders, all fees received for selling them, and all moneys transferred in administering the act



are "to be deemed and taken to be money in the Treasury of the United States."

In that instance the fees went into the Treasury, as they will under this bill.

The Postmaster General is authorized to allow the deputy postmasters at the money-order offices, as a compensation for their services, not exceeding "one-third of the whole amount of fees received on money orders issued"—

And so forth.

In no just view, we think, can the statute in question be deemed a revenue law.

The lexical definition of the term "revenue" is very comprehensive. It is thus given by Webster: "The income of a nation, derived from its taxes, duties, or other sources, for the payment of the national expenses."

The phrase "other sources" would include the proceeds of the public lands, those arising from the sale of public securities, the receipts of the Patent Office in excess of its expenditures, and those of the Post Office Department when there should be such excess as there was for a time in the early history of the Government. Indeed, the phrase would apply in all cases of such excess. In some of them the result might fluctuate, there being excess at one time and deficiency at another.

It is a matter of common knowledge that the appellation "revenue laws" is never applied to the statutes involved in these classes of cases.

The Constitution of the United States \* \* \* provides that "all bills for raising revenue shall originate in the House of Representatives."

The construction of this limitation is practically well settled by the uniform action of Congress. According to that construction, it "has been confined to bills to levy taxes in the strict sense of the words, and has not been understood to extend to bills for other purposes which incidentally create revenue." (Story on the Constitution, sec. 880.) "Bills for raising revenue" when enacted into laws become revenue laws. Congress was a constitutional body sitting under the Constitution. It was, of course, familiar with the phrase "bills for raising revenue," as used in that instrument, and the construction which had been given to it.

The precise question before us came under the consideration of Mr. Justice Story, in *United States v. Mayo*, 1 Gall. 396. He held that the phrase "revenue laws," as used in the act of 1804, meant such laws "as are made for the direct and the avowed purpose of creating revenue or public funds for the service of the Government." The same doctrine was reaffirmed by that eminent judge in *United States v. Cushman*, 426.

These views commend themselves to the approbation of our judgment.

The cases of *United States v. Bromley*, 12 Howard, 88, and *United States v. Fowler*, 4 Blatch. 311, are relied upon by the counsel for the United States. Both these cases are clearly distinguishable with respect to the grounds upon which the judgment of the court proceeded from the case before us. It is unnecessary to remark further in regard to them.

It will be certified, as the answer of this court to the circuit court, that the indictment against Norton charges offenses for which, under the limitation provided in the thirty-second section of the act of Congress \* \* \* the defendant can not be prosecuted, tried, or punished, unless the indictment shall have been found within two years.

Now, it seems to me that settles the question. I am unable to differentiate between the doctrine laid down in that case and the question that is presented to us in the pending bill.

Mr. WALSH of Montana. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Missouri yield to the Senator from Montana?

Mr. REED of Missouri. I yield.

Mr. WALSH of Montana. Let me ask the Senator whether this is not a consideration to be noted in that connection: The court there was construing a statute in a criminal case and gave it a construction favorable to the defendant by holding that the five-year statute did not apply but the two-year statute did apply. It so held in accordance with the well-established principle of law that, in the construction of criminal statutes, if a construction can be given consistent with the innocence of the defendant and one consistent with his guilt, the former will be adopted by the court if it can do so. But is not the rule in relation to the construction of constitutional provisions quite different? In other words, I call the attention of the Senator to the fact that that being a criminal case and a criminal statute being under considera-

tion, it does not form a very safe guide for the construction of a constitutional provision.

Mr. STERLING. Mr. President, will the Senator from Missouri yield?

Mr. REED of Missouri. Will the Senator first let me answer the Senator from Montana?

Mr. STERLING. Very well.

Mr. REED of Missouri. Of course we are all familiar with the rule that criminal statutes are strictly construed, but that was not the ground upon which the court was proceeding in this case.

Mr. WALSH of Montana. I appreciate that. I followed the argument of the opinion as the Senator read it and they do not put it upon that ground; but is not every court in construing a criminal statute under the influence of his life-long training which induces him to a conclusion favorable to the defendant in a criminal case?

Mr. REED of Missouri. That is true as to the question whether or not an offense charged is defined in a statute, and the courts carry that along; but this was a question as to whether the act was a revenue law or not, and they laid down the doctrine and cited not criminal cases but civil cases as their authority. This case has been followed in other decisions in which civil controversies were before the court.

Mr. STERLING. Mr. President, I will ask the Senator from Missouri if it is not merely a question of the construction of the words "revenue law"?

Mr. REED of Missouri. That is all.

Mr. STERLING. As I remember the case, it was claimed on the part of the Government that the offense charged was a violation of a revenue law and that the period in which prosecution might be instituted was five years under that law instead of two years under the money order law, but the court said that the postal money order system law was not a revenue law within the meaning of the Constitution.

Mr. WALSH of Montana. There is no doubt that is what they did say, and they argued along that line, but that does not answer the suggestion that I make, namely, that the court is constrained by a long line of decisions and by a custom reaching back to the ages when there were scarcely records to construe every statute imposing a penalty upon the defendant strictly in favor of the innocence of the defendant.

Mr. STERLING. Mr. President, I can not, I will say to the Senator from Montana, think that the Supreme Court of the United States, so far removed from the trial judge who tries the case in the first instance, is going to construe a statute with reference to what might have been the attitude of the trial judge.

Mr. WALSH of Montana. Will the Senator deny that that rule is as applicable to the Supreme Court, the court of last resort, as it is to a trial court?

Mr. STERLING. I may say that the Supreme Court may sometimes be influenced by it, but there is not a word in its opinion in this case that indicates that anything of that kind was a governing consideration on the part of the court, and I am satisfied it was not, nor could it have been.

Mr. WALSH of Montana. We agree about that; they did not say so.

Mr. REED of Missouri. Mr. President, why discuss it? The same rule has been laid down in civil cases, as I understand.

Now, let me read from the case of *Twin City Bank against Nebeker*. I will read just a paragraph; and in this language is embraced enough of the facts of that case to show its nature:

The case is not one that requires either an extended examination of precedents or a full discussion as to the meaning of the words in the Constitution, "bills for raising revenue." What bills belong to that class is a question of such magnitude and importance that it is the part of wisdom not to attempt by any general statement to cover every possible phase of the subject. It is sufficient in the present case to say that an act of Congress providing a national currency secured by a pledge of bonds of the United States, and which, in the furtherance of that object and also to meet the expenses attending the execution of the act, imposed a tax on the notes in circulation of the banking associations organized under the statute, is clearly not a revenue bill which the Constitution declares must originate in the House of Representatives. Mr. Justice Story has well said that the practical construction of the Constitution and the history of the origin of the constitutional provision in question proves that revenue bills are those that levy taxes in the strict sense of the word, and are not bills for other purposes which may incidentally create revenue.



Taking those two cases together, unless some one can show they have been overruled it seems to me they are controlling. I do not undertake to set up my opinion against the opinion of other lawyers; but the conclusion seems to me to be inevitable that the Senate has the right not only to raise the wages of these men but to raise the price it charges the American people for their services.

Mr. McCORMICK. Mr. President, as usual, the Senator from Missouri goes directly to the root of the matter and sweeps aside the legal meshes which might impede a man of less vigorous intelligence. Let me ask him, for example, if the charge for parcels post is not analogous to the charge made by the American Express Co. for carrying packages, and therefore a charge for services rendered?

Mr. REED of Missouri. I think they are identical, except that one is the Government and the other is a private corporation.

Mr. McCORMICK. Would not that hold, then, in the case of special-delivery letters?

Mr. REED of Missouri. Certainly.

Mr. McCORMICK. And does it not hold for charges made by other agencies of the Government which, by power delegated by Congress, levy charges, as in the case of the Fleet Corporation or the Panama Steamship Co., which certainly fix charges which are not construed as taxes; and yet certainly the sole recipient of the revenues accruing to those companies is the owner of those companies, the Government of the United States.

Mr. WALSH of Montana. Mr. President, I should like to inquire of the Senator from Missouri whether, if Title II were an entirely separate act, he would feel that it fell under the inhibition of the Constitution?

Mr. REED of Missouri. I would not. I said that.

Mr. WALSH of Montana. So the fact that it is associated with the other part does not influence the judgment of the Senator?

Mr. REED of Missouri. I think their being associated makes a much stronger case, but I think that without it it would not fall under the inhibition. That is my judgment.

Mr. WALSH of Montana. Mr. President, so that my position about the matter may not be misunderstood, I merely desire to say that the hurried examination I have been able to give this matter has satisfied me that the position taken by the Senator from Missouri is correct, although originally I was of a different view.

#### EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

Mr. SWANSON. I hope the Senator will let us have a vote first.

Mr. HEFLIN. Will not the Senator let us vote on this matter? The yeas and nays have been ordered on it.

Mr. CURTIS. One or two Senators have told me that they want to talk on the question. One Senator deferred his speech in order that we might go into executive session. I will agree to take a recess as soon as we get through, but under the circumstances I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

#### RECESS

Mr. CURTIS. I move that the Senate take a recess until 12 o'clock noon to-morrow.

The motion was agreed to; and (at 4 o'clock and 40 minutes p. m.) the Senate took a recess until to-morrow, Friday, January 23, 1925, at 12 o'clock meridian.

#### CONFIRMATIONS

*Executive nominations confirmed by the Senate January 22, 1925*

##### POSTMASTERS

##### COLORADO

Clare Baker, Rico.

##### CONNECTICUT

Walter H. DeForest, Derby.

John F. Egan, Lakeville.

Anna T. Harding, Rockhill.

Erle Rogers, Windsor.

##### GEORGIA

Charles P. Graddick, Barnesville.  
William A. Adams, Fitzgerald.

##### HAWAII

Arthur V. Lloyd, Lahaina.  
Thomas E. Longstreth, Lihue.

##### INDIANA

James J. Speck, Greentown.

##### IOWA

Leslie E. Kislingbury, Alta.  
George H. Falb, Elgin.

##### KANSAS

August Bernasky, Ingalls.  
Ulysses E. Van Dyke, Woodston.

##### LOUISIANA

William L. S. Gordon, New Orleans.

##### MARYLAND

Daniel W. Babcock, Berlin.  
Richard H. Williams, Midland.  
Helen G. Rawlings, Rising Sun.  
Victor R. Mumma, Sharpsburg.  
Luther B. Miller, Williamsport.

##### NEBRASKA

Charles H. Kuhns, Maxwell.  
John A. Gibson, Mullen.

##### NEW JERSEY

William L. Scheuerman, Basking Ridge.  
David B. Rodman, Beverly.  
Edward W. Walker, Cranbury.  
Preston Pedrick, Pedricktown.

##### NEW YORK

Grace Davies, Lake Kushaqua.  
John J. Kiely, New York.

##### OHIO

Lora Bloomfield, East Columbus.

##### OKLAHOMA

William A. Johnson, Cromwell.

##### PENNSYLVANIA

Charles J. Levegood, Jersey Shore.  
J. Laurence Miller, Lopez.  
Louis S. Bisky, Meshoppen.  
William S. Livengood, Meyersdale.

##### SOUTH CAROLINA

Richard P. Poore, Belton.

##### TEXAS

William L. Turner, Brownwood.

##### VIRGINIA

William W. Allmond, Allmondsville.  
James M. Denton, Big Island.  
Wilbert D. R. Proffitt, Highland Springs.  
Laura L. Keeler, Middleburg.  
John W. Taliaferro, Mount Solon.  
John A. Johnston, Petersburg.  
William A. Coates, South Washington.  
Helen T. Munt, Surry.  
Wade H. Hash, Trout Dale.  
Fannie Moore, Vinton.  
Janie B. Crumpler, Zuni.

##### WISCONSIN

Eugene S. Tradewell, Antigo.  
Minnie B. Dixon, Bristol.  
Miles M. Shepard, De Pere.  
Magnus Magnusson, Detroit Harbor.  
Herbert B. Linde, East Troy.  
Alexander E. Matheson, Janesville.  
Otto J. Ahnert, Kewaunee.  
Marie D. Host, Lake Geneva.  
Edward W. LeRoy, Marinette.  
James J. Stoveken, Pembine.  
George F. Fiedler, Seymour.  
Florence M. Lewis, Silverlake.  
Edward J. Gardner, West De Pere.